

The NATIONAL UNDERWRITER

Life Insurance Edition



Circle of Security on the Trail to Independence

Those who sought financial independence in 1849's great Gold Rush found the trail a nightmare of uncertainty, accidents, sickness and Indian raids. The wagon train, made up of families banded together for mutual protection, formed about the only kind of security available to the pioneer in those days.

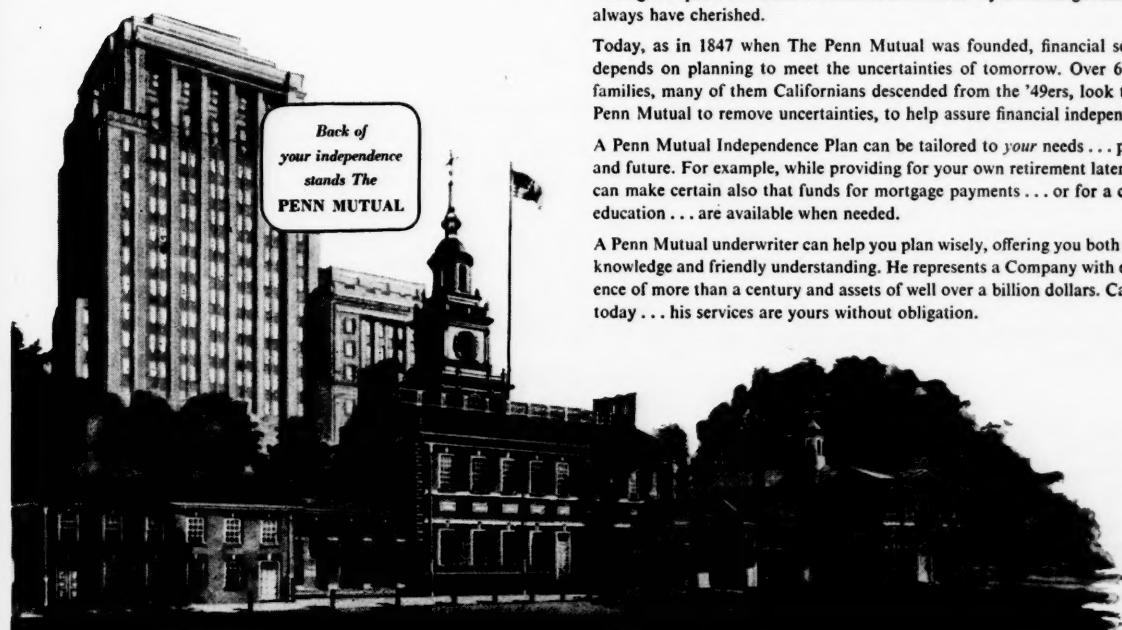
Your Road to Security... a Penn Mutual Independence Plan

The right to provide for our own future in our own way is a heritage Americans always have cherished.

Today, as in 1847 when The Penn Mutual was founded, financial security depends on planning to meet the uncertainties of tomorrow. Over 600,000 families, many of them Californians descended from the '49ers, look to The Penn Mutual to remove uncertainties, to help assure financial independence.

A Penn Mutual Independence Plan can be tailored to *your* needs . . . present and future. For example, while providing for your own retirement later on, it can make certain also that funds for mortgage payments . . . or for a college education . . . are available when needed.

A Penn Mutual underwriter can help you plan wisely, offering you both expert knowledge and friendly understanding. He represents a Company with experience of more than a century and assets of well over a billion dollars. Call him today . . . his services are yours without obligation.



THE PENN MUTUAL LIFE INSURANCE COMPANY • INDEPENDENCE SQUARE, PHILADELPHIA

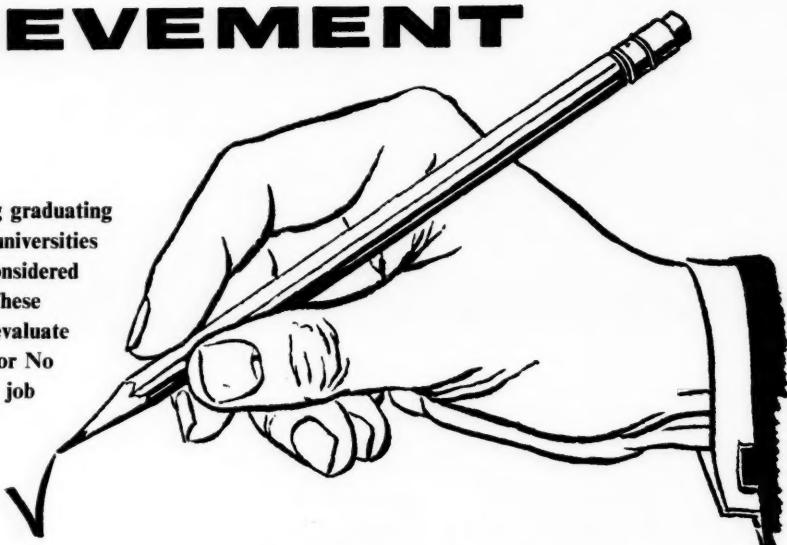
Penn Mutual Advancement Opportunities Go to Penn Mutual Men

FRIDAY, MARCH 26, 1954

FIRST in a series designed to be of service to young men contemplating a life insurance career. These advertisements appear in magazines and life insurance trade press where young men are likely to look for information about companies and job opportunities.

Check List For ACHIEVEMENT

A RECENT survey among graduating seniors at one of America's leading universities revealed seven major factors to be considered in judging the true merits of a job. These factors are listed below to help you evaluate job opportunities. Simply check Yes or No in the indicated squares to see if any job you are considering does or does not meet these qualifications.



LOCATION of the job is always important. Discontent often results when the job breaks familiar ties with family, friends and surroundings.

YES NO

(You can select your own location with The Union Central Life Insurance Company, operating in practically every town and city in 46 states, from New York to California.)

TRAINING facilities are your best assurance of rapid progress in your chosen career. Most successful companies provide specialized training programs.

YES NO

(The Union Central training program quickly qualifies you to take your place among experienced men. Such thorough training has developed many of the nation's leading life underwriters.)

WORKING TOOLS are necessary aids in building a successful career.

YES NO

(Through research and testing, The Union Central constantly provides its men in the field with personalized advertising, scientific prospecting procedures and a wide variety of sales presentations to fit every type of life insurance market.)

OPPORTUNITY FOR ADVANCEMENT. Look for the job that opens the door to an expanding future. Beware the jobs offering large starting salaries but leading into blind alleys.

YES NO

(The Union Central life underwriter's career is not limited to sales. Many find achievement in management and administration, as well as the executive branch.)

COMPENSATION. Look beyond immediate compensation. Look for the job that can give you large earnings in the future when success is proved.

YES NO

(The average Union Central agent earns more than \$5,000, and about $\frac{1}{3}$ earn annual incomes better than \$10,000. In addition, the Company provides liberal retirement and pension plans.)

STABILITY OF EMPLOYMENT. Be sure the job you choose is with a company that will not find it necessary to release well-trained men from time to time because of business dislocations or depressions.

YES NO

(There is always a market for life insurance regardless of business conditions. Operating for 87 years, The Union Central has survived four wars and seven depressions, and has never canceled an underwriter's contract because of market failures or shortage of merchandise to sell.)

APTITUDE must be considered if you're to be certain the job you choose is the one for which you best qualify. A misfit in one job may easily be a success in another.

YES NO

(The Union Central employs scientific aptitude testing plus experienced advice from a sincerely interested managerial staff to help you determine whether or not you are best qualified for a successful career in life underwriting.)

Before you definitely select a job, why not learn more about your opportunities with The Union Central? Drop us a line and we'll be glad to arrange an interview at one of our local offices near you.

**THE UNION CENTRAL LIFE
INSURANCE COMPANY**
CINCINNATI 2, OHIO

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

58th Year, No. 13
March 26, 1954

NALU Board Picks Chicago Area for New Headquarters

But National Council Asks Action Be Stayed Pending Ratification at Boston

NEW ORLEANS—The Chicago area was chosen by the National Assn. of Life Underwriters board of trustees for the new location of NALU headquarters at a specially called meeting held here Saturday on the eve of the mid-year meeting of NALU.

However, the national council on Wednesday voted to request the trustees to withhold any action until the local associations have had a chance to study the entire question and ratify or turn down the Chicago choice at the annual meeting in Boston next September.

Several other cities were contenders but as a practical matter the race had only two contestants that were taken seriously—the Chicago area and the New York City area. The trustees' vote was not announced but is understood to have been very heavily in favor of Chicago.

The trustees' action settles the location area as definitely as it can be settled short of consummating a contract from which it would be impractically costly to withdraw. Of course, it took no elephantine memories for some of those present to recall that at last April's midyear meeting in Chicago the trustees picked Washington as the headquarters city but reopened the question at the annual meeting last August after the national council had overwhelmingly recommended that the question be studied again—with a strong implication that the location should be someplace other than Washington.

The trustees at their meeting here Saturday refrained from making a decision on any site within the Chicago area or even officially expressing any preference. But undoubtedly the availability of a site at the edge of the University of Chicago campus on a 99-year lease at a dollar a year rental was a factor in swinging the decision in Chicago's favor.

Another potent factor was the well-organized promotion effort under the chairmanship of John D. Moynahan, Metropolitan Life, Chicago, past president of NALU and now serving on the NALU board to fill out the term of the late Mitchell Rosser until the next annual meeting.

The Chicago association presented handsome brochures extolling Chicago as a location and going all-out for the advantages of the University of Chicago site. The brochure is illustrated with photographs and diagrams.

The day before the trustees held their special meeting here the location

(CONTINUED ON PAGE 21)

NALU OK's Group for Federal Employees, Opposes It in Mutual Fund Tie-Up

NEW ORLEANS—After delaying action a day to obtain fuller information, the National Assn. of Life Underwriters national council at its Wednesday session here adopted unanimously and without discussion resolutions (1) endorsing the proposal of the federal government to cover its employees with group insurance in private insurers despite the fact that no commissions would be paid; (2) Opposing the issuance of decreasing group term insurance in connection with the sale of installment savings and investment plans, since such insurance might give the public the impression that NALU approves such investments, which are wholly different in character from life insurance.

The wording of the second resolution was later changed to read that NALU would seek legislation prohibiting sale of group term insurance in connection with these savings and investment plans. The change was to make it clear that NALU was not inveighing against the writing of such coverage as long as the law permits it.

These were offered as part of the report of the group committee by its chairman, David B. Fluegelman, Connecticut Mutual, New York City, immediate past president. Also adopted was the committee's recommendation that NALU not oppose the reduction in minimum size of group cases from 25 to 10.

Legislation will be sought to implement the resolution on group term sales in connection with investment plans. A special committee was named to follow through on this.

President Gilmore of NALU announced he had appointed a special committee to work on the mutual fund coverage legislation problem. Mr. Fluegelman is a member, the others being Robert R. Reno, Jr., Equitable Society, Chicago; Carl Ernst North American Life & Casualty, Minneapolis; Oren D. Pritchard, Union

Central, Indianapolis. Mr. Pritchard is chairman. It was announced Wednesday that this special committee had chosen Judd C. Benson, Union Central, Cincinnati, as the fifth member.

It was brought out in the earlier discussion that the government employees coverage would involve about \$9 billion of insurance on some 2,200,000 employees, with premiums running in the neighborhood of \$75 million a year. Mr. Fluegelman said that while there would be no commissions paid, the government would be urged to make use of the services of agents wherever appropriate, and the endorsement in the resolution was conditioned on asking that agent's services be used whenever the occasion might arise.

Discussion at the Tuesday national council session of the federal government's proposal to cover its employees through private insurers for life and hospitalization quickly centered on NALU's proposed endorsement of a plan that would provide group insurance without paying any commission. Mr. Fluegelman explained that neither the insurers nor NALU had a choice, since the only alternative would be self-insurance. He said he felt NALU should feel encouraged at the government's willingness to insure through companies rather than self-insure. He explained the companies would handle the business at virtually no profit. He said NALU had traditionally been for group in employer-employee relationships, which this certainly would be.

Mr. Fluegelman said it should be called to the government's attention that even though no commissions are paid on the group coverages, there will be occasions for agents' services, particularly on conversions, and that provision should be made for compensating the agent in those situations.

Channing Cowles, Buffalo, wanted to know if any other industry dealing

(CONTINUED ON PAGE 22)

Late News Bulletins . . .

Scripps-Howard Letters to Wolverton

More than 300 letters from readers of *Scripps-Howard* newspapers dealing with individual A&H policies and practices and written as a result of the series of articles on the subjects that appeared in the paper chain have been turned over to Chairman Wolverton of the house interstate commerce committee. The newspapers received more than 1,000 letters, but only 314 contained details, such as company name. Some were accompanied by supporting data. Mr. Wolverton promised the committee would study the letters.

Hearings on Health Reinsurance

WASHINGTON—The house committee on interstate and foreign commerce allotted Wednesday and Thursday for hearing Secretary Hobby and associates on health reinsurance legislation. For Friday there were scheduled representatives of American Hospital Assn., Blue Cross Commission, and R. W. Faulkner of Woodmen Central. Tentatively scheduled for next week were Life Insurance Assn. March 30 and Health & Accident Underwriters Conference March 31.

A&H Tax Exemption Bill in House Again

A bill introduced by Rep. Wolverton in the house would exempt for income tax purposes up to \$100 of premiums paid for A&H insurance by amending

(CONTINUED ON PAGE 24)

NALU Defers Action on Hottest Issues Till Annual Rally

Council Wants More Time to Ponder Headquarters Choice, 'Industry Associates' Dues

By ROBERT B. MITCHELL

NEW ORLEANS—The National Assn. of Life Underwriters at its mid-year meeting here disposed of some important matters but it wisely—in the opinion of a large majority of delegates—deferred action on the hottest issues until they could be scrutinized more carefully and then taken up at the next annual meeting by a more largely attended council.

These deferred issues are the location of the projected headquarters building and the propriety of letting the New York State association—or any other association—accept dues from domestic companies on a non-voting "industry associate" or similar basis.

The trustees had on Saturday picked the Chicago area for the projected headquarters building, though without selecting a site. But on Wednesday the national council requested that no action be taken toward implementing the decision or buying or leasing a site until the local and state associations could learn more about the pros and cons and then decide at the annual meeting at Boston in September whether they agreed with the trustee's choice.

While under the constitution the trustees are not bound by the council's actions, as a practical matter they give ear to its opinions and in this case the council's decisive vote left no doubt that it wanted a longer look before ratifying a choice.

Probably the most important affirmative actions were the resolutions adopted as part of the group insurance committee's report on placing the association on record as endorsing, even though no commissions will be paid, the federal government's plan to cover its employees with group insurance in private insurers, and the other pledging NALU to seek legislation outlawing savings and investment plans, since this tie-up might imply a tacit endorsement by NALU of a type of investment radically different from life insurance. These resolutions and the discussion preceding their adoption are treated in a separate article in this issue.

Another important action was the national council's recommendation that legislation be sought prohibiting the payment of commissions to lending institution or its representative regardless of whether the insurance is group or individual.

The warm and spirited discussion of what to do about the trustee's choice of Chicago and the NALU headquarter

(CONTINUED ON PAGE 23)

GAMC Hears Three Talks, Participates In Management Seminars at New Orleans

NEW ORLEANS—The NALU General Agents & Managers Conference put on a well-attended all-day session Monday during the NALU midyear meeting here, with three talks in the forenoon, a luncheon program, and six "room-hopping" sessions afterward, some lasting till late afternoon.

At the business session of the GAMC directors, Leonard T. Smith, district manager of Prudential at Providence, was named a director to succeed Herbert Hill, Life of Virginia, Richmond, who resigned because of pressure of business. Mr. Smith's appointment runs until the next annual election, in September, under the by-laws.

Mr. Smith will also succeed Mr. Hill as chairman of the GAMC committee on district agency management. This committee has been working on a projected program of holding management conferences for district managers.

The directors also accepted the invitation of the Advisory Council on Life Underwriter Education and Training to be represented, along with various other organizations.

Walter G. Gastil, Connecticut General, Los Angeles, talked at the Monday morning session on the leadership qualities an agency manager should have. It is Mr. Gastil's philosophy that if the manager can't make an agent a better producer by his help, he has no right to accept the overriding on the man's production and he should help him get a job in some other line of work or with some manager who can do something for him.

Mr. Gastil made the point that the agency head needs morale, faith, energy, idealism, and perseverance, not just for himself but with "some to spare" for his agents.

The other morning speakers were William J. Schergens, Aetna Life, Shreveport, and Francis L. Merritt, director of training Mutual Benefit Life. Their talks are reported elsewhere in this issue.

M. L. Camps, John Hancock, New York City, presided as program chairman.

At the luncheon, Ray H. Wertz, Lincoln National, Detroit, GAMC chairman, was toastmaster. Robert C. Gilmore, Jr., NALU president, spoke briefly on the broadened influence of GAMC. Mr. Camps then introduced the various speakers and room hopping chairmen.

Managing Director Lester O. Schriver of NALU talked on the important role of the agency head. He said that such a man looks for more than money as compensation. He will get money, to be sure, but "you will find that your greatest compensation comes from what you have done to develop men who otherwise might have failed if it had not been for your help. Your greatest satisfaction is that you have helped men on the road to success."

Mr. Wertz talked briefly on the need of building an ever stronger GAMC.

At the room hopping session on getting the first year man into production, Richard N. Lewis, Great National Life, Austin, discussion leader, said that before he signs a contract with a new man it is understood that he must memorize verbatim a "\$10 a month" sales plan; keep monthly, weekly, and daily planning records, maintain prescribed files—prospect, age change, etc.; and accept criticism without resentment.



M. L. Camps



Ray H. Wertz

To allay the new agent's concern about "pressure" selling or selling to his friends, he is told there are only two times to use pressure: First, when he is selling the interview, and second when he has obtained agreement on the problem and a possible solution he should exert all the pressure necessary to get a decision.

Henry C. Hunkin, Connecticut Mutual, Chicago, who led a discussion on developing brokerage and surplus business, said he has a very clear understanding with sources of surplus business that he will not touch a case that can be placed with the surplus writer's own company. In dealing with brokers he has made it a rule always to pay the full commission even though someone from the Hunkin agency may have done all the selling. This helps produce the kind of good will that makes for repeat business from the broker.

W. Sheffield Owen, assistant agency vice-president of Life of Georgia, was assisted by a panel, they being L. B. Quick, district manager for Life of Virginia at New Orleans, Norval S. Pierce, district manager of Metropolitan Life at Houston, and Gary S. Cutini, director of training Life of Georgia. They discussed ways of getting more ordinary production from the debit agent. There was much interest in this topic and the question and answer session continued until about 6 pm.

At the session on agency building led by Robert B. Pitcher, John Hancock, Boston, there was considerable discussion on whether to train agents singly or more than one at a time. A show of hands indicated that even though they might favor multiple training, the overwhelming majority of those present would take on a new man and train him even though no others were being trained at the same time.

In the session on building agency morale, Adam Rosenthal, General American, St. Louis, the discussion leader, said his agency operates as a team. Each member taking pride in the accomplishments of all the others. The agency has a motto "the harder I work the luckier I get," and it has a sign, "you are members of the best sales organization in St. Louis." The first requirement, said Mr. Rosenthal, is that the general agents morale must be good.

He gave these as 10 commandments for building agents' morale: (1) understand them—know what makes them tick, their strengths, weaknesses, ambitions, etc.; (2) develop them—give them a bigger conception of themselves

(CONTINUED ON PAGE 22)

• M. A. Tinkham has been named brokerage manager for Lincoln National at Pittsburgh, where he has been in supervisory work for eight years.

NALU Has 39,017 Members, Up 526 in Last 12 Months

NEW ORLEANS—National Assn. of Life Underwriters has 39,017 members as against 38,491 a year ago, John C. Donohue, Penn Mutual, Baltimore, reported at the NALU midyear meeting as membership chairman pro tem. He was appointed following the recent death of Mitchell M. Rosser, Phoenix Mutual, Boston.

Mr. Donohue said it was not possible to break the current figure down as to new and renewal memberships but that as of March 1 the figure was 36,174 of which 31,535 were renewal and 4,639 new memberships. This compared with an equivalent-date figure for 1953 of 33,640, of which 28,318 were renewal and 5,322 were new.

Stressing the need for stepped-up membership activity, Mr. Donohue pointed out that the current membership represents only 37% of all field men and that the figure should be more than 100,000. He said there was not so much correlation as had been thought between the ratio of managers to the potential maximum and the corresponding ratio for agents in a given locality. He said perhaps too much emphasis had been placed on the manager's role. Mr. Donohue paid particular tribute to the work of Mr. Rosser.

State Mutual Field Force, Home Office Men Confer at Miami

"Your Franchise is a Copyright to the State Mutual Story" is the theme of the company's general agents and managers meeting being held this week at Miami Beach. Home office and field representatives are taking part in the four day conference, featuring panel discussions and talks on the agency-building program.

Benjamin W. Ayres, Worcester, received the President's Cup for the best over-all record in agency management. Bernard S. Rosen, Denver, won the agency building award for the second consecutive year for outstanding accomplishment in recruiting, training and supervision of career agents.

New members of State Mutual's General Agents Assn. include Hubert J. Murphy, New Haven; William K. Saunders, Manchester; John D. Myers, Columbus, O.; Charles P. Carriere, Jr., New Orleans; Ben Chapman, Birmingham; Mark L. Kalb, Kansas City; Irvine M. Marr, Seattle, and Duncan F. Brown, Burlington, Vt.

Home office officials include President H. Ladd Plumley and Vice-president Robert H. Denny.

Texas A&H Underwriters Elect McDonald President

C. E. McDonald, International Fidelity Life, Dallas, was elected president of Texas Assn. of A&H Underwriters at a meeting in Austin.

R. L. McMillion, Business Men's Assurance, Abilene, is 1st vice-president; John Delaney, American General Life, Houston, 2nd vice-president, and Leslie A. Ginn, Business Men's Assurance, Austin, secretary.

Bankers Nat'l Names Kelley

Bankers National Life has appointed John Kelley to the agency department staff in charge of sales promotion, publicity and publications. He formerly was with National A&H Ins. Co. as

• North Carolina Mutual Life has named A. J. Clement, Jr., manager at Charleston, "manager of the year".

Claris Adams to Make Washington His Headquarters

Claris Adams, who officially took over as head of the headquarters staff of American Life Convention at an executive committee last week at Chicago, will have the same title as his predecessor, Robert L. Hogg, now senior vice-president and advisory counsel of Equitable Society. Mr. Adams' title is executive vice-president and general counsel. He had been ALC's top staff officer from 1926 to 1929 and since 1936 had been president of Ohio State Life.

Mr. Adams will make his headquarters at Washington, as did Mr. Hogg.

Lee N. Parker, administrative vice-president, was given the additional title of treasurer.

Two companies, Piedmont Life of Georgia and Independence L. & A., were admitted to membership at the meeting. This brings membership to 240 companies.

February Sales Bring Increase for Year to 7%

February purchases of life insurance, \$2,784,000,000, brought the total for the last two months of this year to \$5,378,000,000, some 7% more than a year ago, and compared with \$2,674,000,000 in February of 1953. Ordinary was \$1,821,000,000, 6% increase; industrial, \$537,000,000, represented a 1% gain, and group, which totaled \$426,000,000, rose 3% over 1953.

Total purchases for the year to date was 7% over 1953, ordinary accounting for \$3,542,000,000, up 5%; industrial, \$969,000,000, up 2%, and group \$867,000,000, a gain of 29%.

Two More Companies Show Across Board Progress in 1953

AMERICAN UNITED LIFE

A 13% increase in direct sales was registered in 1953 by American United Life. Net gains also were made in persistency and average production per agent, the average size policy growing to \$5,404.

Insurance in force reached \$559,608,000, as against \$526,301,000. Assets increased nearly \$5 million to \$105 million. Benefit payments totalled \$8 million.

During 1953 90 new agents were contracted, a record.

WISCONSIN NATIONAL LIFE

Life insurance in force of Wisconsin National Life at the end of 1953 stood at \$111,005,303, higher by \$8,065,142. A&H premium income amounted to \$1,005,871.

Assets reached \$26,035,219, an increase of \$1,822,766, and capital and surplus gained by \$164,542, to total \$2,557,397. Policy reserves increased \$1,508,534. Benefit payments since organization now amount to \$23,795,976.

The average rate of return on invested funds, before federal income taxes, increased from 3.51% to 3.65%, the net return, after taxes, rose from 3.29% to 3.41%.

Study Shows Many Bad Practices in N. Y. Welfare Funds

N. Y. Department Recommendation for Examination Enacted into Law

The bill was passed by the New York legislature and is expected to be signed by the governor which would give the insurance department authority to examine union welfare funds. The legislation does not authorize regulation of such funds by the state but will, it is expected, enable the insurance department to complete a thorough investigation of such funds which it started last fall and which is expected to form the base of regulatory legislation in the next session of the legislature. The bill requires trustees of welfare funds to maintain records in conformance with accepted accounting principles.

The department initiated its study of welfare funds of building service employees international union local 32-E following disclosures of irregularities as a consequence of investigation into the raceway scandals in the state.

Superintendent Bohliger of the insurance department filed a preliminary report on its study before the end of the legislative session just closed. In that report he points out that the books and records of 34 welfare funds, in addition to that of the building employees' fund, were examined, and that these welfare plans provide a cross section of the organized industries in the state.

In the case of 10 other welfare funds, exclusive of those examined, the department's inquiries were either blocked preemptorily or such delaying tactics were resorted to by union officials as to preclude examination of their welfare funds. One fund instituted proceedings in the New York county supreme court to test the legal right of the superintendent to examine its books and records. The books and records of eight licensed agents or brokers servicing welfare funds also were examined as part of the department survey. Some irregularities were discovered, and disciplinary proceedings have been instituted as prescribed by statute.

The department has been concerned by the lack of information available on amounts of money held by the rapidly increasing number of employee benefit plans over which there was no supervision. Its survey therefore was designed to furnish a factual basis for evaluating the financial magnitude of such plans. Questionnaires were distributed to 714 unions, 131 insurance companies and 32,204 employers with 20 or more employees in the state. The results show that more than 1 million union members and their families are covered under union health, welfare and pension plans operating in the state and close to 1 million workers are covered for pension benefits under self-administered employer plans.

The department's investigations of such funds disclose various abuses which result in dissipation of assets. There was evidence of misuse of welfare funds by obviously excessive ratios of expenses to contributions received, ranging up to 45%. Such mis-

use resulted from excessive salaries, expense allowance and fees for work performed or payments for work not performed at all; purchase of unneeded expensive automobiles, including gifts of cars, arbitrary and exorbitant charges for expenses by the union; legal and accounting charges not proportionate to the services rendered; payments to union officials for expenses of attending union conventions; payment of so-called management fees to agents and brokers for alleged services normally performed by producers or insurers without charge, and payments to trustees out of proportion to the services rendered.

There were many instances of loans, often unsecured and seldom repaid, to union officers, parent unions or other unions to finance projects having no connection with the welfare fund's purpose, such as financing strike benefits, erecting or renovating union headquarters, financing trips of union officials to union conventions, purchasing expensive automobiles for union officials and promoting other union activities.

There was disclosed a lack of proper administrative procedures, such as inadequate accounting records and in some instances a failure to record transactions. Several welfare funds failed to invest funds and left large sums in commercial banks without earning interest. Many trustees failed to discharge normal managerial responsibility. This was apparent from the infrequent meetings of trustees, the lack of minutes of trustee meetings and the laxity of employer trustees.

Certain provisions in some welfare plans as well as the conduct of some

(CONTINUED ON PAGE 25)

Detroiters Point to Phillips as NALU Trustee Material

Detroit Assn. of Life Underwriters is pushing the candidacy of its current president, Harry N. Phillips, Sun Life of Canada, for an NALU trustee post.

During his 28 years of association membership, Mr. Phillips has been especially active in educational activities. He was the first LUTC chairman at Detroit, serving in that post for two years. He now is chairman of the state LUTC.

Mr. Phillips' bid has been filed with the NALU nominating committee.

Now regional group manager at Detroit, Mr. Phillips has been with Sun Life for 30 years. He earlier served as a district group manager and special pension representative. His present office has led all U. S. group units of Sun a number of times. He is noted as a speaker before association groups and has lectured at Wayne, Ohio State, Michigan State and Miami universities. He is active in community work and also is co-author of the book "How to Sell Payroll Deduction".

South Cal. Caravan Stops

The southern California caravan of Life Underwriters Assn. of Los Angeles met with local associations of Pasadena and San Gabriel, at Pasadena; and of Glendale and San Fernando Valley, at Glendale. Meetings will be held at Santa Barbara April 16, Long Beach April 23 and Santa Ana May 21.

The meetings will be conducted by two teams headed by Richard Van Cleve, Massachusetts Mutual, and Leo R. Marsh, Prudential.

Prospective Recruit Should Do Most of Talking in Interview

NEW ORLEANS—Give the prospective agent a chance to talk and thus disclose whether he has enough brains, courage, and the right kind of interest pattern to make him a good bet as an agent, advised Francis L. Merritt, director of training Mutual Benefit Life, at the meeting of the NALU General Agents & Managers Conference here.

Too often the manager or general agent may be talking 25 minutes of the 30 minutes he is conferring with a prospective recruit, said Mr. Merritt. As a result, the man being interviewed may know a great deal about the interviewer but the latter hasn't given himself a chance to draw out the man he is talking to. People don't usually mind talking about themselves and usually it isn't necessary for the general agent to do more than guide the conversation.

In this way he can find out whether the man thinks alertly, whether he has leadership qualities, and whether his interests are such that he is likely to be successful in work that involves dealing with people. It is a matter of subtle probing.

One advantage of this probing system is that the interview can be shortened if it quickly becomes apparent that the man lacks the desired qualities.

"Has he been a competitive type?" is a question that Mr. Merritt said the manager should try to find the answer to in interviewing.

"If there is no evidence of his being competitive in the past, our risk is very great indeed," said Mr. Merritt. "This is why we must examine the detailed activity in each past position held. Superficial titles are not enough. Just what did he do? Was his work of a reasonably persuasive nature? Was he dealing directly with the public?

"Can you afford the luxury of training the man with a completely undeveloped leadership mind? If we are smart, we will look for the man who has already had liberal avocational or vocational leadership development for dealing with people."

Mr. Merritt warned that otherwise excellent men may have such strong competing interests as to make them a poor bet as agents.

Mr. Merritt stressed the need of considering all a man's qualities in deciding whether to hire him, for it is quite a temptation to base a decision on one or a few factors and ignore others that may be vital.

D. D. Edmunds Proposed as NALU Trustee

D. D. Edmunds of Birmingham, Equitable Society Alabama manager, has been proposed to the nominating committee of National Assn. of Life Underwriters as a candidate for trustee.

Mr. Edmunds is a past president of the Winston-Salem and the North Carolina State association. He has been with Equitable for about 20 years except for service in the armed forces in the second world war. He was a candidate for NALU trustee in 1948.

Active in CLU affairs, Mr. Edmunds is serving as a regional vice-president of the American Society of CLU.

49th ANNUAL STATEMENT

December 31, 1953

RESOURCES

Cash	1.7%	\$ 1,609,493.56
BONDS:		
U. S. Government	31.9%	30,062,531.92
Canadian Government	1.0%	947,647.00
State and Municipal9%	819,520.00
Railroad	2.7%	2,570,702.00
Public Utility	15.8%	14,865,984.00
Industrial and Miscellaneous	2.7%	2,548,159.00
STOCKS:		
Preferred4%	395,164.81
Bank	2%	143,070.50
First Mortgage Real Estate Loans	34.1%	32,085,548.45
Home and Branch Offices4%	369,671.54
Policy Loans, Notes & Liens	4.7%	4,406,595.96
Premiums Due and Deferred	2.8%	2,614,000.23
Accrued Interest and Other Assets7%	647,464.44
TOTAL	100.0%	\$94,085,553.41

INSURANCE IN FORCE, Dec. 31, 1953.....\$712,813,006.00

COMMONWEALTH Life Insurance Company

HOME OFFICE • LOUISVILLE, KY.

NALU Move Poses Problem for LUTC: Leave N. Y. or Not?

NEW ORLEANS—The decision of the National Assn. of Life Underwriters trustees to locate the NALU headquarters building in the Chicago area poses a decision for the Life Underwriters Training Council board of directors to make. They had earlier indicated they would like to have LUTC continue to share quarters with NALU, as it does now and that if the headquarters were to continue in the New York City area LUTC was for sticking with NALU. However, it was made clear that if NALU were to locate outside the New York City area LUTC would have to decide whether to move out of the New York area or stay there on its own.

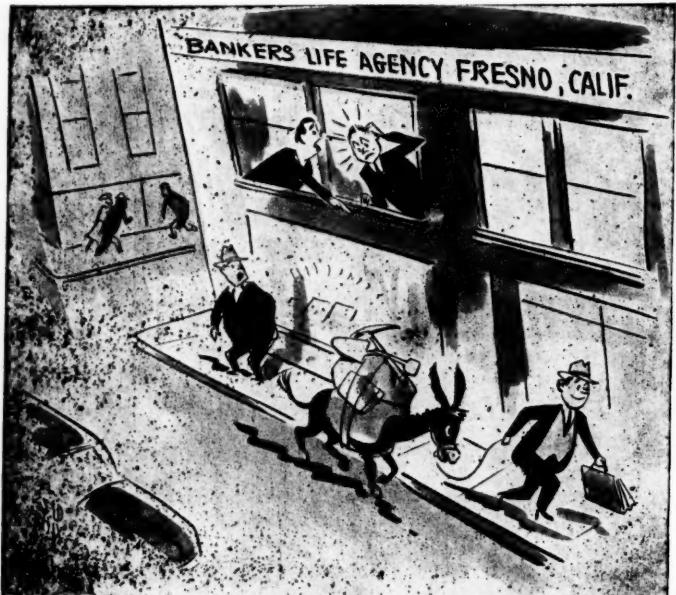
SS Hearings Start April 1

WASHINGTON—Hearings will begin April 1 before the ways and means committee on House bill 71-99, the social security measure.

Cleeton Named to Succeed Ries Until NALU Elections

Charles E. Cleeton, Occidental of California, Los Angeles, past president of National Assn. of Life Underwriters, has been named by the board of trustees to serve on the board until the annual election next September. He fills the post vacated by the recent death of Howard C. Ries, Equitable Society, Everett, Wash. Mr. Cleeton is chairman of the location committee of NALU that has had responsibility for seeking a new headquarters site for the national association.

Baltimore-D. C. Directory on Sale
The Baltimore-Washington Insurance Telephone Directory, with names, addresses and telephone numbers of persons and companies in the insurance industry of Baltimore and Washington, is now off the press. Copies may be obtained for \$1 each from the National Underwriter Co., 420 E. 4th St., Cincinnati, 2 O.



"I think that new man misunderstood when we told him he'd have to do a lot of prospecting!"

Bankers/lifemen Know Prospecting

Of course we are only kidding in the picture because every Bankers/lifeman knows about prospecting before he goes on his first calls.

The suggestion in the picture that there is gold in good prospecting is not far wrong. Bankers/lifemen are taught money-making prospecting methods from their first days in their agency offices.

Knowing how to prospect effectively is just one of the characteristics that make the typical Bankers/lifeman the kind of life underwriter you like to know as a friend, fellow worker or competitor.

BANKERS Life COMPANY
DES MOINES, IOWA

IN OHIO SUITE
at NALU midyear meeting at New Orleans: W. Thomas Craig, general agent Attna Life Los Angeles; Mrs. Laura Benham, Prudential, Niagara Falls, N. Y.; NALU Trustee Elsie Doyle, and Judd C. Benson, both of Union Central, Cincinnati.



Parkinson Goes With United of Illinois as President's Aide

Nellis P. Parkinson, Illinois director of insurance from 1944 to 1949, has joined the home office of United of Chicago as assistant to President J. R. Hogan, and his work will be chiefly in relation to advertising, policy forms and public relations.

After 17 years as an agent at Decatur, Ill., for Mutual Benefit Life, Mr. Parkinson in 1941 joined the Illinois department, serving as assistant director, chief deputy and director. He served on the National Assn. of Insurance Commissioners' A&H, life and executive committees, and in 1947 was its secretary.

More recently Mr. Parkinson was with Illinois Bankers Life as vice-president and secretary, and, when Illinois Bankers was reinsured by Central Standard, he served with the latter.

All American Casualty Elects Ballard President

E. E. Ballard has been elected president of All American Casualty of Chicago, to succeed the late M. A. Kern. Mr. Ballard has been executive vice-president and agency director for two years.

More than 20 years ago the new president entered insurance as a salesman with Mr. Kern, then president of Mutual Casualty of Chicago. Later, when the company reinsured Peoria Life, the name was changed to Allianc Life and Mr. Ballard became home office supervisor in charge of agency development. He went with Jefferson National Life in 1938 as vice-president and agency director, rejoining Mr. Kern in 1952.

The company writes income disability exclusively.

Names Thomas, Trees in S.F.

Earnest E. Thomas and George L. Trees have been named assistant general agents of the V. G. Benedict & Associates agency of Lincoln National Life at San Francisco.

Mr. Thomas joined the company in 1941 at San Francisco and since 1942 has been supervisor of the Benedict agency. Mr. Trees has been in insurance since 1953 and with the agency since the first of the year.

Agents Forum Hears Talks by Managers

NEW ORLEANS—The agents forum, a feature of National Assn. of Life Underwriters meetings that has been confined to agent participation, got several managers and general agents on its program at this year's midyear meeting of NALU.

William H. Pryor, Connecticut Mutual, Milwaukee, is chairman, having been named following the recent death of Howard C. Ries, Equitable Society, Everett, Wash.

Speakers included Robert L. Walker, manager Peninsular Life, Orlando, NALU vice-president; William D. Davidson, associate manager Equitable Society, Chicago, NALU trustee; Robert R. Reno, Jr., agent of Equitable Society, Chicago; Oren D. Pritchard, manager Union Central, Indianapolis; Stanley C. Collins, agent of Metropolitan Life, Buffalo, NALU secretary, and President Robert C. Gilmore, Jr., of NALU.

Mr. Walker talked on the power of life underwriter associations in improving ethics and competitive practices. Mr. Davidson recommended the setting up of "councils of field underwriters", or in smaller associations the appointment of agents' committees. Mr. Reno talked "off the record" on the proposed government employees group plan. Mr. Pritchard urged unselfish devotion to the cause of better service to the public and the life insurance business as "the solution to all our problems."

Mr. Collins talked on the expense limitation sections of the New York law and said the changes made last year and the amendments awaiting action by the governor would not make the changes in agents' compensation that many people seemed to think, although in the last year 37 of the almost 70 companies domiciled or licensed in New York liberalized their agents' compensation contracts.

Mr. Gilmore expressed gratification at Mr. Pryor's willingness to serve as chairman of the agents' committee and said there are hundreds of outstanding agents who make more money than some home office executives and "all we need to do is to convince such people that they can make even more money and at the same time serve the business to a greater extent by serving this association."

• Louis H. Lenzer, formerly manager for Security Standard Life at Wichita Falls, Tex., has been advanced to agency director at the home office in Dallas.

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Blanchard Offers 11 Goals for A&H to Aim at in its Development

Saying that he hoped that "they will enforcement of the contract. This is not to arouse principally thoughts of why plies employment of high-grade men nothing can be done," Ralph H. Blanchard, professor of insurance at Columbia University, offered the LIAMA A&H conference at Chicago 11 suggestions the attainment of which he feels to be highly desirable:

1. Elimination of uneconomical coverage of small losses. What is uneconomical depends on persons and circumstances. A variety of deductibles should be available. Perhaps no loss under \$25 should be covered.

2. Education of insured to think in terms of applying available premium money efficiently in protecting themselves against serious rather than easily bearable losses. Too often deductibles are presented as a means of reducing premiums. They might better be offered as a way of buying more coverage for the same premium.

3. Education of agents as advisers as well as salesmen, as service men helping the insured to get the most, not in immediate return but in protection, for his premium.

4. Reduction of expense ratios. Accomplishing the first three suggestions in any degree would help. Direct action in "rationalizing" commissions to agents might diminish the total reward for mere salesmanship and increase the reward for service, even though commissions as percentage of premiums were reduced.

5. Extension of coverage to the broad mass of the public in amounts that meet their needs. The greatest weakness of private enterprise in comparison with governmental action is the inability of the former to reach as wide a group and to enforce minimum provision for need. Meeting the admitted problem not merely by reaching numbers but by covering over-all need is the best argument against governmental action.

6. Application of the indemnity principle. Compensating the insured for genuine loss is the basic purpose of insurance. Promises to pay specified sums on proof of specified facts of physical condition or of undergoing specified procedures is something of a perversion of that purpose.

7. Elimination of speculative provisions. Giving a prize settlement to the insured who was injured by the collapse of the outer walls of a building if he was *therein* at the time of the collapse carries its own comment.

8. Elimination of exclusions. Whether exclusions are accomplished by listing as such or by an incomplete list of covered causes of disability, they represent a failure of coverage and a potent source of misunderstanding. With the range of disability as a cause, the all-risk contract is the ideal contract.

9. Use of common understandable language both in contracts and in dealing with insured. In other fields marked advances have been made in rewording contracts so that their intent is clearly understandable by an insured not versed in the language of insurance.

10. Settlement of claims as a service to the insured rather than as mere

renewable insurance accomplishes this end within limits.

Predicting that his suggestions would probably be criticized as impossible, impractical, and academic, Mr. Blanchard said he would be the last to say they could be adopted *in toto*, now or ever.

"I offer them as guides, as indications of what, in my opinion, the business should work toward," he said. "They are intended to lead a few to consider, first, to what extent they are worthy as ends, and second, to the extent that

they are good, how the business may advance toward those ends."

Schedule L. A. Seminar

Los Angeles CLU chapter, in cooperation with University of California at Los Angeles, is staging an estate planners' conference at the university April 28. Speakers will be Lawrence G. Knecht, Powers System of Estate Analysis, Cleveland; Maynard Toll, Los Angeles attorney; R. Wendell Buttrey UCLA accounting lecturer, and Miles Flint of Citizens National Bank, Los Angeles.



They made a promise . . .

ONE DAY you looked up . . . and there stood your baby girl, straight and serious-faced, in a uniform. And suddenly you realized that she wasn't your baby girl any more . . . that you hadn't played horsie for her in a long time . . . and you couldn't remember when you last carried her up the wooden hill to bed.

"I'm a Brownie Scout, Daddy!" she said. "See my pin, and look, this shows I belong to Troop 16, and I made a promise to love God and my Country and to help others, and we're going to take hikes, and today Miss Alby showed us how to make things with clay, and when I'm ten I'll get to be a real Girl Scout, and, and, and . . ."

When she had finally run out of breath you smiled, perhaps too indulgently, made an appropriate remark, and went back to reading your paper.

But that evening you noticed Mother had help carrying the dishes out to the kitchen. And Saturday morning a certain young lady made her bed without being told. And when you'd planned going up to the mountains over Memorial Day weekend, you were informed that

it was more important that a Brownie "make bouquets for our soldier boys who got killed." You had a pang of conscience when it hit you that some of those "soldier boys" were your own buddies from B Company. And you helped with the flowers, too.

And so Girl Scouting had begun to work its own particular wonders in your home, as it has in so many others. You watched its quiet influence through the years. And your respect for it grew. And more than once you gave a mental "thanks" to the tireless people who make such an organization live.

Today in our country there are over a million and a half girls in Scouting. That's a good thing to know. A good thing to think about when you get to wondering about the future. A million and a half little girls, keeping a sober promise to love God and their Country and to help other people, can make a big difference in where we go from here.

MUTUAL LIFE INSURANCE COMPANY
BOSTON, MASSACHUSETTS

Economist Sees Life Agents in Clover but Elbowed by Mutual Funds, Stock Market

NEW YORK—Competition from mutual funds and the stock market seems like a more troublesome long-range matter for life insurance agents to contend with than any likelihood of serious economic recession as a deterrent to buying, Herman Krooss, associate professor of economics at New York University, indicated in his talk at the New York City Life Supervisors Assn. meeting.

Mr. Krooss, a former New York City agent of Penn Mutual Life, predicted that the New York Stock Exchange's new installment selling program would provide some extremely heavy competition for money that would otherwise go into life insurance. In the absence of a severe and prolonged recession, the stock market will come to be regarded by more and more people as being a safe channel of investment and along with mutual fund shares, stocks will be a big factor in absorbing excess disposable income.

Mr. Krooss predicted that there will be no further successful efforts to redistribute wealth as has been done over the last 20 years, although labor will doubtless hold the gains it has made. He called this a good thing, as there is a need for large-scale consumption to keep the economy going. All this is good for life insurance because the more stable the economy the more the agents can count on getting their share of the business.

Mr. Krooss predicted that much life insurance will be sold but selling will become more difficult because of the relatively low rate of return on life insurance as an investment and the increased competition from mutual funds and the stock market. He opined that a great deal more term insurance would be sold, with a decrease in endowments and other high premium forms.

Mr. Krooss expressed little confidence in the bootstrap theory of staying out of depressions. He said the country either goes into a recession or doesn't and how fast it comes out depends on the volume of spending.

Mr. Krooss said at present disposable income is going down and naturally that has an effect on how much life insurance is sold. He predicted that by the fall of this year "if everything goes right" the tide should have turned and disposable income will trend upward again.

As for the effect on life insurance sales, he said that according to the rules of the game, savings are more "volatile" than disposable income, that is, in a period of rising business activity savings go up faster than spending but when business activity falls off savings decline more rapidly than spending.

However, life insurance doesn't follow the pattern of other savings in this respect. It rises as rapidly as disposable income but it doesn't go down as fast. Mr. Krooss said it was probably because during a recession life insurance agents tend to knock themselves out more than they do in more prosperous times and if this is true life insurance sales in 1954 should run about the same as in 1953. Group insurance, however, conforms more closely to the behavior of other forms

of savings and will probably be off more sharply for the year.

Discussing the long-range trends affecting life insurance sales, Mr. Krooss predicted continued inflationary price levels resulting in an average increase of about 2% a year, with no significant downward fluctuations along the line. He looks for cheap money to continue because no political administration would have the courage to follow a hard-money policy. Federal spending will continuously decline as a percentage of gross national product and maybe at times absolutely as well, except for a possible war period.

However, state and local spending will go up and go up rapidly, so that the tax picture will be changed. The federal tax trend should be downward. He recalled that in the 1920s there were five substantial income tax cuts. He looks for cuts in the 1950s and 1960s that will keep the disposable income high and life insurance should continue to absorb increasingly heavy amounts of savings.

Judge Says Non-Medical Forms Lead to Falsifying

TOLEDO, O.—U. S. district court here recently voided a \$5,000 life policy taken out by a Van Wert, O., man, who died in June, 1953, because of a misrepresentation on the application for the insurance, but Judge Kloeb said he believed it wrong for an insurance company to invite applicants to falsify in selling them insurance without a physical examination. Beneficiaries then are forced to go to court, only to have the policy canceled, and are the ones who suffer, he added.

Judge Kloeb said he regretfully had to rule Ohio's insurance laws were violated by the applicant, the late Edward L. Conrad, when he applied for the insurance to Massachusetts Mutual.

Mr. Conrad said he had never had heart trouble and that the army rejected him for World War II service only because of several minor dependents. However, selective service records show Mr. Conrad in 1941 had signed a form seeking exemption from service on grounds that he had a rheumatic heart, and that later examination showed his heart was enlarged.

Judge Kloeb said there was no question but that Mr. Conrad knew of the prior heart ailment when he applied for the insurance in 1952 and that the company would not have issued the policy had it been aware of the ailment.

List Ohio Parley Speakers

"Basic Management Techniques" will be the theme of the annual agency management conference to be held at Columbus April 23 under the sponsorship of Ohio Assn. of Life Underwriters and Ohio State University.

Speakers will include Paul L. Norton, vice-president of New York Life; Eber M. Spence, vice-president of American United Life; Harold A. Gordon, Fidelity Mutual, Cincinnati; Richard I. Gross, Prudential, Columbus; Larry D. Board, Ohio National, Dayton; James J. Hubbard, research associate, Mutual Life; John K. Luther, field supervisor, Aetna Life; H. H. Maynard, Ohio State University; Victor K. Miller, Connecticut Mutual, Columbus; Paul S. Mills, Great-West, Columbus, and William B. Hoyer, John Hancock, Columbus.

• E. B. Simmerman has been named assistant to the vice-president and secretary of Texas Prudential.



PROVIDENT MUTUAL persistency awards for 1953 were presented to these general agents: From left, Donald L. Barnes, Duluth; Lucien A. Hauslein, Philadelphia; John C. Vance, New Castle, Pa.; Franklin M. Nice, Reading; and J. Henry Hooper, Baltimore-Washington.

Indianapolis Life Has Policy, Rate Changes

Two new policies, liberalizations in policy provisions and reductions in certain rates are contained in a new Indianapolis Life rate book.

One new policy is the "Preferred Life Paid-up at 85", available to selected risks in amounts of \$10,000 and above. It is a whole life plan with premiums payable to age 85. The other new plan, the "Five Year Renewable and Convertible Term Policy," has liberal renewal and conversion privileges making it flexible and suitable to certain types of business insurance. It is also issued in minimum amounts of \$10,000, is renewable to age 65 and convertible prior to age 63.

Juvenile policies issued at ages under six months will provide full death benefits from date of issue.

Occupational ratings have been reduced and many cases where a rating was formerly required will now be considered standard. Premiums for the various substandard rate classifications have been revised, being reduced in most cases.

Rates for waiver of premium disability have been substantially reduced, and coverage for women will now be on the same basis as for men, terminating at age 60. Disability premium rates for women are 150% of male rates.

Double Indemnity coverage on the new basis will terminate at age 65 instead of 60.

Disability and double indemnity riders have been revised to provide full aviation coverage under the disability rider and liberalized aviation coverage under the double indemnity rider. These provisions are retroactive to outstanding policies.

The family protection provision has been made more flexible, with the amount of income being selected in each case. The maximum amount of monthly income will be \$20 per \$1000 of basic policy.

Premium rates for family protection provision, family income provision and mortgage cancellation provision have been reduced.

Mrs. Boaz to Retire from Cal. Department Post

Mrs. Elva Boaz, chief clerk in the Los Angeles office of the California department, will retire March 31 after more than 30 years of service. Mrs. Boaz started with the Los Angeles office when it was opened in 1922. Victor Montgomery, president of Pacific Employers, then was in charge. She has since served under 11 commissioners.

The only clerical employee of the office originally, the staff now has expanded to more than 75. In addition to being chief clerk, Mrs. Boaz is head of the Los Angeles licensing division.

She will be honored at a reception March 30 and all of the commissioners under whom she served have been invited to attend.

Hear Berg, Pritchard at Indianapolis Meet

Improved recruiting, more men and more desirable men available, was forecast for the year ahead by Arnold Berg, agency vice-president of Indianapolis Life, speaking before the Indianapolis General Agents & Managers Assn. March meeting.

"The present economic readjustment not only means that some good men will actually be out of jobs but also that many more will be vocationally disturbed about the future in their present lines," he declared. "For instance, in our own recruiting, we are already noticing more and more men from heavy industry and electrical appliances, as two examples."

Mr. Berg reminded his audience that during the 1930's, men were more interested in the long-term, career aspects of a job than in the size of the immediate income. "As we get a shakeoff of the quick-money jobs and lines, you will find good men becoming concerned about career opportunities," he said.

Members at the meeting were urged by Oren Pritchard, manager of Union Central Life, chairman of the state law & legislation and a member of the federal law committees of National Assn. of Life Underwriters to contact their congressmen at once urging passage of the new tax bill as reported out by the ways & means committee. "The bill contains 17 items directly affecting life insurance," Mr. Pritchard reported. "Of these, 14 are highly favorable, and the 3 unfavorable ones are not drastic."

Mr. Pritchard reported that he was told in a conference with Rep. Charles Halleck, House majority leader, that if the attempt to increase personal exemptions were successful when the bill came on the floor, the administration might have to abandon the whole thing. In view of the favorable treatment of life insurance in the bill, Mr. Pritchard urged that congressmen be notified of support of the measure "as is."

NAIC Credit Insurance Committee To Meet April 26

The credit life and credit A&H subcommittee of National Assn. of Insurance Commissioners will meet at Chicago April 26-28, holding open sessions for two days, the first on reserves and the second on rules and regulations governing sales. W. J. Davey of the Indiana department will be chairman the first day and Commissioner Sullivan of Kansas will be in charge the second day. On April 28 there will be an executive session.

• Southwest American Life of Houston has added as directors Frank H. Monroe, a nine-year insurance veteran, and T. Max Davis, formerly Houston general agent for Ohio National Life until joining Southwest American last June.

Provident Mutual Agency Heads Meet in Florida

The plaque for 1953 production leadership, won by the Philadelphia agency, was awarded to Knox Turnbull, general agent, at the Provident Mutual general agents and managers association meeting in Hollywood, Fla. Mr. Turnbull is also general agent at Charlottesville, Va. Recipients of other plaques for high production were John N. Savage of Dallas, Henry G. Barnhurst of Syracuse, Clifford M. Beery of Denver, and Manager Richard L. Benson of New Brunswick, N. J.

Persistency plaques were received by J. Henry Hooper of Baltimore-Washington, Franklin M. Nice of Reading, Lucien A. Hauslein of Philadelphia, John C. Vance of New Castle, Pa., and Donald L. Barnes of Duluth. Agency building awards went to Roland D. Benscoter of Detroit, Mr. Savage, C. Gordon Ferguson of Cleveland, Manager Edward R. Devereux of Boston, and Manager Ernest A. Farrington of Haddonfield, N. J.

Mr. Hooper, president of the association, opened the business session, followed by James H. Cowles, vice-president and manager of agencies, who talked on Provident Mutual's philosophy of growth.

Mr. Savage presided over a panel on agency building. Members included Mr. Barnhurst, Mr. Benscoter, Clinton Campbell, Jr., Knoxville, John H. Frye, Jr., Portland, Me., and Lawrence T. Wade of Iowa City. On the agency-building second panel, moderated by Mr. Ferguson, were Lawrence C. Cassidy, Louisville, Gerald W. Page, Los Angeles, Charles S. Peck of Allentown, Pa., and Paul W. Schenck, Jr., Greensboro, N. C.

A panel on A&H was conducted by Lewis C. Sprague, New York City, with members including W. Henry Blohm of Cincinnati, Mr. Devereux, Charles H. Everett, Atlanta, William T. Moffly, Jr., Chicago, and Mr. Vance.

Mark M. Moore, Jr., of Minneapolis ran a panel on getting the new agent into production. He was assisted by Mr. Beery, Lowell W. Davis, Hartford, W. Lawrence Rotz, Decatur, Ill., and William B. Stormfeltz, Wilmington, Del. A final panel on supervision of supervisors was conducted by Mr. Turnbull, assisted by Messrs. Hooper, Savage and Sprague.

President Thomas A. Bradshaw and Vice-president Cowles of Provident Mutual spoke briefly at the final session, at which new officers of the association were elected. They are Mr. Barnhurst, president, Mr. Turnbull, vice-president, and Mr. Beery, secretary. New members of the council are Messrs. Ferguson and Schenck.

A&H Assn. Hears Osler

Passage of the administration's health reinsurance bill will mean socialized medicine in 25 years or sooner, R. W. Osler, vice-president Rough Notes Co., charged before the annual convention of the Louisville A&H Assn.

"The administration says the problem is extending health insurance coverages to groups to whom it is not now readily available—meaning the marginal income, over-age, and uninsurable groups," he said. "If true reinsurance would solve this problem, it would have been solved years ago because

adequate, worldwide reinsurance facilities exist for any insurable risk. But nothing can cover an uninsurable risk, except a subsidy, and that is all the bill amounts to."

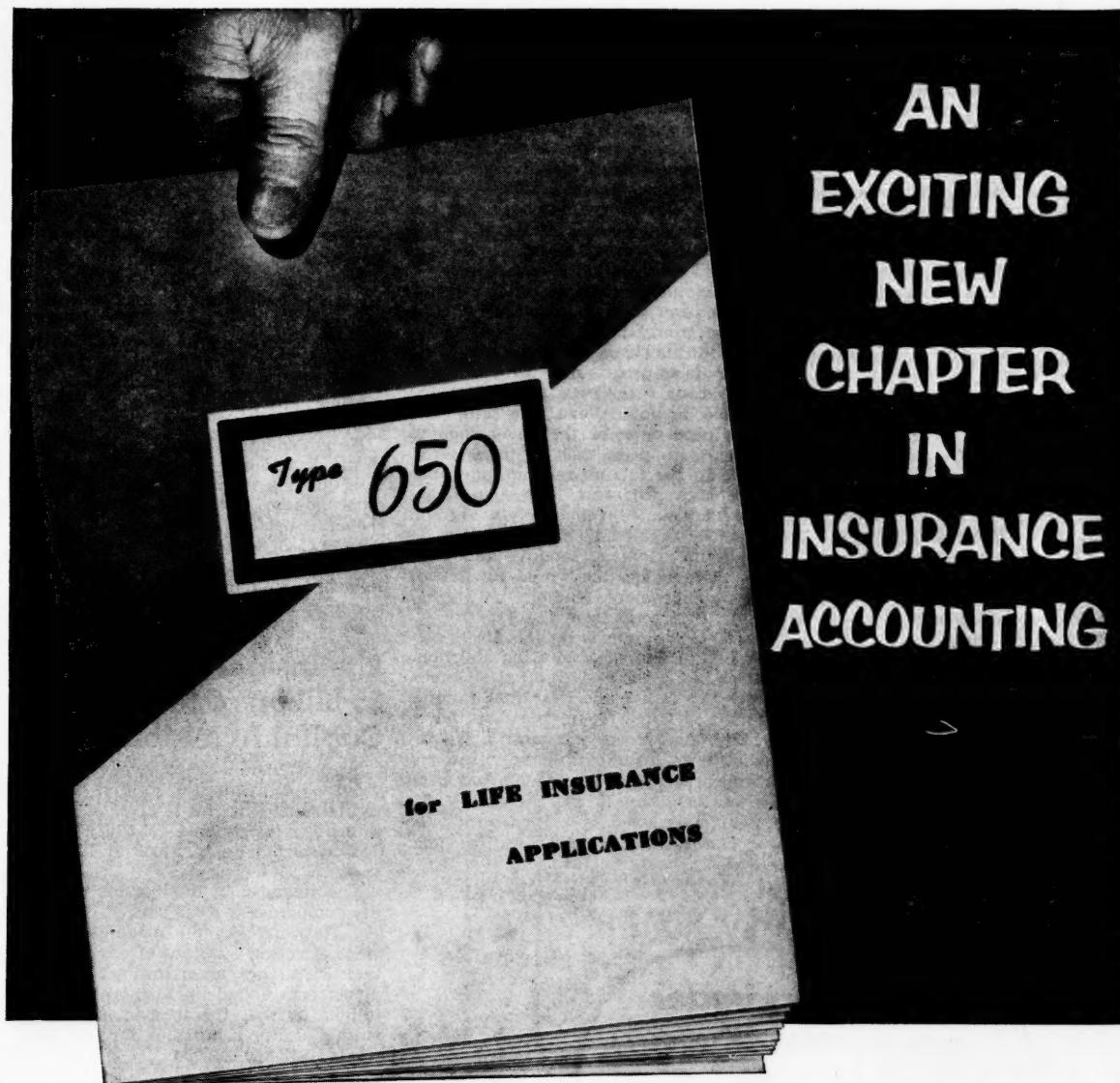
Mr. Osler urged the agents present to oppose the reinsurance bill in every

way possible and, especially, to point out to contacts in the medical profession the socialization danger to them in the scheme.

• Prudence Life of Chicago has been licensed in Tennessee.

New Booklet on Heart Research

A booklet on the work of Life Insurance Medical Research Fund has been published by the Institute of Life Insurance. It gives a review of the progress that is being made in heart research.



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INTERNATIONAL BUSINESS MACHINES
590 Madison Avenue, New York 22, N. Y.

Here is a machine that solves some of the toughest time and cost problems faced in insurance accounting—the IBM "650"—revolutionary new magnetic drum machine.

For example: In dividend computations, the "650" takes into consideration the plan of insurance, the age of the policyholder, and the year the policy was issued. At the same time it also designates how the dividend is to be allocated—whether for cash refund, reduction of premium, accumulation of interest, or for the purchase of paid-up insurance—**ALL IN ONE AUTOMATIC OPERATION!**

Write for our booklet, "Type 650—for Life Insurance Applications," which describes how the 20,000 positions of storage and other features of this unique machine are applied to several of the most costly aspects of life insurance accounting.

Shanks Has Mortgage Credit Plan to Counter Government Intrusion in Senate Housing Bill

A plan which would afford "a way for private financing institutions to handle the problem of mortgage credit unavailability in small communities and remote areas and for minority groups" was outlined by President Carroll M. Shanks of Prudential in testifying before the Senate banking and currency committee.

Mr. Shanks appeared before the committee as chairman of the joint committee on economic policy of American Life Convention and Life Assn. of America to discuss the administration's new housing bill, details of which prompted his own proposals. He submitted "for the record" his committee's conclusions that some of the bill's provisions are sound and that many follow closely recommendations made by the life insurance business in its statement last summer, "National Policy on Housing and Mortgage Lending—A Statement on Life Insurance Company Views".

He touched on the bill's provisions which would give the President the power to establish flexible maximum interest rates on VA and FHA mortgage loans, and said, "We believe, however, that in the use of these discretionary powers the President should be guided by the goal of keeping VA and FHA mortgage term competitive in the market and that these powers should not be used as a means to employ housing policy as a pump-primer for the entire economy."

He termed as "the most glaring defect of the proposal" its provision for a 40-year amortization period, and said, "We believe...mortgages could be acceptable to private financing institutions, without appreciably raising the monthly carrying cost on such mortgages, by reducing the amortization period to 30 years and by tightening the insurance provisions to guaran-

tee the investor against loss at foreclosure... This exposes the investor to serious risk which no lender operating on sound lending principles would be able to assume."

Continuing, Mr. Shanks declared, "By the very nature of the loan, the default experience... would be much less favorable than under most other FHA loans, so that the investor must be prepared for more difficult collection problems and a larger percentage of foreclosures. We believe, therefore, that... provisions should be included to limit the lender's out-of-pocket losses at the time of foreclosure. This is a special loan program where the risk must inevitably be great, and it is therefore necessary to limit the losses of the lender..."

"It would be most helpful to include a provision that upon default the investor would have the option to assign the mortgage to FHA and to receive debentures equal to 99% of the unpaid balance."

"We do not believe," he said, "that it is necessary for the government to embark upon the task of direct assistance to special insured or guaranteed mortgage programs." He also scored the "assistance function" in the bill aimed at retarding or stopping a decline in mortgage lending and home building, since this would involve direct government lending, with funds coming directly from the Treasury.

"This program is on the direct road to public control of housing and home financing. It goes beyond the government insurance and guarantee function and is a long step in the direction of comprehensive public control. We feel that it is incompatible with the free enterprise objective which has often been mentioned in the bill," Mr. Shanks declared.

The speaker had appeared previous-

ATTENDING THE A&H spring meeting at Chicago of LIA: Paul A. Parker, Old Line Life; Leon Tracy, Prudential, and Walter F. Schmitz, Occidental Life of California.



ly before the House banking and currency committee to present his joint group's proposal, and at that time also remarked that the administration bill's provisions for general liberalization of insured and guaranteed mortgage terms "raises a serious question of conflict with the tenets of sound financing".

He added that the bill leans too far in the direction of accepting the objective that the volume of housing starts must be kept going at peak level at all costs. Associated with Mr. Shanks on the ALC-LIA committee are Milford A. Vieser, vice-president of Mutual Benefit Life, and John G. Jewett, vice-president of Prudential.

Life Insurers Made \$5 Billion of New Capital Available

NEW YORK—Life companies in 1953 provided more than \$5 billion of new capital, bringing the total of such life company investments to \$78,201,000,000, according to Institute of Life Insurance.

The increase in total assets of U.S. life companies in 1953 was \$5,167,000,000. New investments made last year were of course substantially more than that. Maturities, amortizations, and replacements added up to more than \$8 billion, so that the investment acquisitions of life companies for the year totaled \$13,860,000,000.

Annuity Payments Taxable to Beneficiary, Court Rules

New Jersey supreme court has ruled unanimously that repayment of annuity fund contributions to the beneficiary cannot be construed as proceeds of a life insurance policy and therefore are subject to state inheritance taxes.

The ruling dismissed an appeal by Mrs. Tacie I. Cruthers, widow of Thomas Cruthers of West Orange, who had been a participant in an executive retirement plan in which he and his company contributed toward his retirement. Massachusetts Mutual had the policy.

The contract provided that upon the death of a participant, payments were to be returned to the beneficiary. A total of \$57,000 had been paid into the plan by Cruthers before his death, and his wife, the beneficiary, claimed that this payment came under the classification of a life insurance plan. The court, in turning down her appeal, said that none of the risks involved were similar to those in a life policy.

Smaller Communities Make Greatest Gains in Owning Insurance

The greatest relative gains since the end of the second world war in the spread of life insurance ownership have been made in the smaller communities, according to the Institute of Life Insurance.

About the same proportion of metropolitan families now own such protection as in 1946, the figure shown in a 1953 sampling survey being 84%. Families in cities of 50,000 to 600,000 have shown an increase from 84% ownership to 88%. Those in cities or town of 2,500 to 50,000 have held their ownership at the same figure, 79%. Those in towns under 2,500 have raised theirs from 69% to 76%. And those in open country have increased their ownership from 59% to 66%.

On the score of amount of money put into life insurance premiums, families in towns of 2,500 to 50,000 population showed the greatest increase in the proportion, putting \$500 or more annually into such premiums.

Group Plan for Federal Employees Being Weighed

Conferences are at present under way in Washington between life company representatives and government officials to determine mechanics of the administration's proposed plan for group life insurance for government workers.

The government has suggested a group plan through a pooling by group-writing companies of the risks involved, and discussions are revolving about the idea of insuring each worker for an amount equal to one year's salary. The government would pay a portion of the premium and the employee an amount equivalent to 25¢ per \$1,000 of insurance on each bi-weekly payday.

Coverage would be provided for more than 2 1/4 million and would be the largest single group life plan in the industry.

Fete Healea on Retirement

George T. Healea was honored with a testimonial dinner given by Midland Mutual Life's loan correspondents at Columbus, O. Until his retirement at the year-end, Mr. Healea had headed the company's mortgage loan department for 25 years.

The dinner was attended by 35 loan correspondents from 12 states and company officers. Mr. Healea, who along with Mrs. Healea soon will leave for a Florida vacation, received a combination television, radio and record player.

Mr. OSLICO Says:

Step under my cloak of Protection!

It's a very real cloak of protection for both you and your policyholders! Lifetime compensation, death, disability and retirement benefits for you. For your policyholders, an unusually wide range of adult and juvenile "life" plans. Accident and Health, too!

Write for
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agency
opportunities
in the
states
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and
Virginia

THE OHIO STATE LIFE
Insurance Company
Columbus, Ohio

FRANK L. BARNES 1st V.P. and DIRECTOR OF AGENCIES



Chicago A&H Rally of LIAMA Eventful; Shaffer Is Chairman

Harry J. Shaffer, Lincoln National, was elected chairman of LIAMA's A&H



Harry J. Shaffer

committee at that group's annual meeting at Chicago. He succeeds E. J. Faulkner, Woodmen Central.

Newly named to the committee were Harland L. Knight, Paul Revere Life; William E. Wright, Pioneer Mutual, and Robert A. Parish, Connecticut General Life.

On turning over the reins to Mr. Shaffer, Mr. Faulkner was presented with a symbolic gavel by another past chairman, Frank Vesser of General American Life. Entering the business in 1927 as an agent, Mr. Shaffer subsequently became director of agencies for Paul Revere Life before going with Lincoln National, which he now serves as 2nd vice-president.

William H. Whorf, senior consultant of LIAMA, explained how the association's research report of A&H persistency covering 1949-1951, can serve as a guide toward improving persistency ratios. Thirty-one companies contributed to the study, which was issued in 1953. It is divided into compilations of sales to male adults, female adults and juveniles.

He said a good life insurance persistency does not guarantee a good A&H persistency. Two large areas for improvement of A&H persistency are (1) in training agents and (2) in merchandising.

Train agents, he suggested, to sell policies to meet needs; to service policyholders; to sell A&H along with life insurance, because A&H has a better persistency when sold with life than when sold alone; to upgrade prospects, as, for example, business insurance; to use better sales techniques, such as programming. Merchandising, he said, includes helping policyholders take care of annual premium payments on a budget plan of monthly payments, to prevent over-due premiums, and selling more monthly premium business (in sales of commercial type policies, monthly business is second only to annual business in persistency in all income groups).

"Make A&H insurance easier to sell, easier to buy. Then you make it easier to hang onto—and that is persistency," he concluded.

Frank Vesser, General American Life, reported what his company has been doing in recruiting career minded young men to sell life and A&H through a complete and well organized franchise plan.

A detailed brochure describes the plan which is called a "lifetime security franchise" and which is "for those who possess the ability, energy and determination to succeed."

"We don't talk to a young man," he said, "unless he is willing to take the time to go over this entire brochure with us. It takes two hours. We read one paragraph aloud, he reads the next, and so on until the whole brochure is read."

The brochure tells in everyday

language and as completely as possible what the young man can expect as a full-time agent under the plan. It illustrates with individual cases what agents earn in the A&H. It includes an explanation of the entire training procedure and answers practically all questions the career agent wants to know about the company, its products, and his future with it.

"We pass on to our general agents the thought that they must have knowledge and with knowledge they must have an evangelistic spirit toward young agents in helping them and encouraging them on the road to success."

Leon Tracy, Prudential, discussed the integrating of the company's sickness and accident program in the ordinary life department. He explained the first major problem to be met after developing the policies themselves was training.

He said there is definitely a positive feeling that A&H has helped the overall operations of the department. Successful A&H production helps rather than hinders life sales. He said it will, however, take some time to convince men with the company several years or longer that A&H is a much needed partner with life.

By integrating A&H with life, an agent can convert the interview from a plan of life insurance to a plan of income protection. The needs are exactly the same—a person's income has stopped and the family needs that income.

"We are developing an A&H sales consultant program of working with the agencies and doing joint field work with assistant managers until they feel they are able to do the same thing for agents by going out and making joint sales with them. There is nothing that gives agents greater confidence in A&H."

The Thursday evening session opened opportunities for informal question-and-answer discussion. E. J. Faulkner presided as moderator. Panel members were Ardell T. Everett, Prudential; Paul A. Parker, Old Line Life; Harry J. Shaffer, Lincoln National; Walter F. Schmitz, Occidental. Considerable lively discussion arose from the floor, particularly regarding questions raised about public relations, guaranteed renewable policies and policies renewable at the company's option. Other discussions in which interest was shown dealt with practices in allowing competition or contest credits on a combination basis, substandard coverages, and comparisons of loss-of-time and hospital expense business as to sales and persistency.

Carlson Named V.P. of Universal L&A.

Maurice I. Carlson, has been elected a vice-president of Universal Life & Accident of Dallas. He joined the company in 1951 as director of ordinary sales. He entered the life insurance business in 1942 and has been a personal producer, branch manager, and—immediately prior to joining Universal—assistant superintendent of agencies for an eastern company. He is a CLU.

Heads Mutual Benefit Aces

William T. Larsen of the Newark agency has been elected president of Mutual Benefit Life's National Associates—the 25 top agents plus general agents qualifying on the basis of their personal production. William N. Thurman of Atlanta is vice-president and treasurer. Harold Covert, Jr., immediate past president, is the third member of the organization's executive committee.

Louis Dawson Sees Readjustment as Aid to Life Sales

The present period of economic adjustment should be helpful to the sale of life and A&H insurance, President Louis W. Dawson of Mutual Life indicated at the company's Top Club meeting at Boca Raton, Fla.

Mr. Dawson pointed out that in times of business readjustment people veer away from new speculative commitments

and seek security and certainty. "That means life insurance and accident and sickness coverage," he said. "Business is still better than it has been for 90% of the time over the last decade; and as of today the dollar has been stabilized and people generally are less afraid of uncontrolled infla-

Louis W. Dawson

tion. The recent tax reduction for 1954 and other contemplated adjustments should give corporations and individuals more money with which to buy new insurance. Liquid savings are high. We have seen a revolutionary transition of the lower income to the middle income group, thus increasing the market for life insurance.

"I feel that the entire insurance business today is on the threshold of a new era of expansion far beyond anything we have yet seen. After many years of depression, war, high taxes, and inflation, people want stability and security above all else. And insurance is the best vehicle ever devised to give them the guarantees and security they want."

Mr. Dawson said the best contribution the field force can make to continued prosperity is "to keep our eye on sales volume." He urged the group to aspire to higher personal production objectives through stepped-up desire and determination.

• Miss Marie Kuppich, cashier of the North Dakota branch of Great-West Life at Fargo, has marked her 40th anniversary with the company.

**THESE FACTS ARE
IMPORTANT!**

When 1953 ended we had
\$1,013,741,546 of life insurance
in force and \$288,069,407.82 in
assets. Since 1895 we have paid
more than \$256,026,000 in claims.

**KANSAS CITY LIFE
INSURANCE COMPANY**

territory in 39 states and the District of Columbia

Marketing A&H Topic of LIAMA Chicago Session

The A&H meeting of LIAMA at Chicago last week wound up with a discussion of selling and distributing ideas from the viewpoints of four companies, and with a wrap-up of the meeting and a look-to-the-future in

the talk of E. J. Faulkner, Woodmen Central, the retiring chairman.

Speaking on the selling theme were Wesley J. A. Jones, Mutual of New York; Spencer R. Keare, Federal Life of Chicago; Rex H. Anderson, New York Life, and Elmer L. Nicholson, Connecticut General.

Mr. Jones described the Mutual Life "pivot" system whereunder the agents are taught to utilize every sales interview as an opportunity to sell either disability income or life insurance.

The company has emphasized to

agents the compatibility of disability income and life coverage, putting little or no emphasis on hospitalization or accident. By repetition of this idea, the sales force has become enthusiastic over the partnership of income replacement insurance and life insurance.

Mutual figured that agents were passing up many bets to sell A&H. For example, the plan book of a life man might show 45 interviews in a month during which four sales were made. That meant 41 chances for the sale of

disability insurance were missed. Under the present system, if the agent discovers he cannot sell life insurance he switches his sales talk to disability. This takes only three or four extra minutes and it has the advantage of having the agent already in front of a prospect. There is no need for the agent to try to change his selling habits, and Mr. Jones reported that the sales force is highly in favor of the plan.

An agent should be able to close from one out of five to one of 10 of these disability opportunities. There is a big chance for extra commissions. The plan is to have the agent give his life insurance presentation fully and try to make a sale. If that fails, he goes right into A&H, taking from his pocket a booklet and telling the prospect that he understands there is no chance at least at the present time to sell a life insurance policy, but he would like to talk to the prospect about something else. Then he goes into the A&H presentation.

This plan can be switched around so as to begin with disability and go over to life, Mr. Jones explained. The requisites are that the salesman have the conception of disability income. He said it is dangerous to refer to the coverage as accident and health insurance, because the prospect's mind almost automatically goes to hospitalization. There has to be a method of merchandising, and Mutual feels that the "pivot" system is the answer to that. This is followed up with some sales training, which Mr. Jones said is not much trouble for a versatile agent to handle.

Spencer Keare said in the last two or three years more than 50% of the life sales of his company have been accompanied with an A&H policy. It took some time for Federal to decide fully that there should be a combination, but now the company is writing

(CONTINUED ON PAGE 18)

GROWING CIRCULATION

Every trade paper has to guard against its circulation becoming static. That is, there are always a certain number of subscribers who are regular readers, not because of any special effort on the part of the paper, but because they have become accustomed to reading it, just as they do their favorite daily newspaper. They continue as readers year after year from force of habit, if for no other reason. They look upon it as "their" paper. Such subscribers are sure and certain, but no growing paper can rest content with them. There must be a constant drive for new subscribers to offset the inevitable discontinuances that come as a result of deaths, retirements, or withdrawals from the business.

In other words, there is a normal and to-be-expected mortality among subscribers. In order to increase its circulation, a trade paper must not only secure enough "replacement" subscribers to overcome the natural shrinkage, but it must be constantly getting additional readers as well.

This is the program of The National Underwriter. We have 15 full time salaried sales representatives traveling all parts of the United States. In making their rounds, they obtain an impressive number of new subscriptions every month. In addition, we maintain a full-fledged and efficiently operated circulation department which attracts to us a constant flow of new subscriptions, obtained as a result of mail campaigns. These mail efforts are planned a year in advance, and are a dependable source of business.

Through these two activities, we are able to increase our circulation year by year, but we think it is important for advertisers and prospective advertisers to know that we do not seek or obtain what might be termed forced or unnatural circulation. That is, we offer no premiums, no inducements, no "give aways," no special or trial offers. Our subscribers are those who need and want the leading weekly insurance newspaper of their business. They are willing to and can afford to pay \$7 a year for it. Incidentally, about 30 per cent subscribe on a three year basis of \$18. They are the important, successful, influential people of this business. They are the group to whom your insurance trade paper advertisements should be directed.

The NATIONAL UNDERWRITER

Largest Circulation of Any Weekly Insurance Newspaper



Number twelve of a series.



FORREST J. CURRY, right, general agent of Penn Mutual at San Francisco, receives from President Malcolm Adam the president's award, top agency honor. It was the agency's third win in nine years, bringing permanent possession. Mr. Adam, who flew to San Francisco for the occasion, stressed the strength, enthusiasm and momentum of the Curry group, which was selected because of over-all excellence in recruiting, production, and organization. It paid for more than \$30 million in 1953, up more than \$9 million. Presentation was made at a dinner attended by more than 200. President Adam also presented a diamond-center tie clasp to each of the 12 new members of the agency's honor club. Gordon C. Maxson was honored as the agent contributing most to the agency and his associates in 1953.

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Figures from Life Companies Year-End Statements Shown

	Total Assets	Increase in Assets	Surplus to Policyholders	New Bus.	Ins. in Force Dec.	Increase in Ins.	Prem. Income	Benefits Paid	Total Disburs.
Bankers Health & Life, Ga.	11,809,600	885,674	2,642,092	35,371,330	51,185,840	5,695,645	3,875,719	1,241,149	4,034,119
Church Life, N. Y.	12,401,840	335,234	1,396,662	17,100,649	35,873,465	1,286,187	937,635	774,642	1,040,064
Connecticut Sav. Bank Life	2,942,195	519,963	303,862	2,594,109	22,797,361	2,137,589	672,197	186,233	658,967
General American Life	203,840,891	8,264,310	7,743,686	217,639,879†	1,556,268,382	174,541,850	36,397,485†	29,263,887†	37,614,385
Government Employees Life	1,759,370	681,388	532,366	10,356,151	35,598,117	13,112,840	755,034	57,981	162,807
Hawaiian Life	3,783,343	237,611	372,543	4,103,371	14,207,260	980,537	612,391	279,991	242,274
Industrial Life, Can.	31,044,127	4,679,099	1,895,534	67,175,971	31,950,307	42,030,339	9,417,417	2,809,084	6,607,997
Mammoth L. & A., Ky.	4,813,487	733,773	1,096,673	14,764,633	37,123,867	2,278,128	2,563,717	616,264	2,416,526
Metropolitan Mutual Assur., Ill.	7,372,707	1,040,868	1,752,266	26,985,439	73,423,070	22,299,919	3,273,590	510,449	3,232,410
Mutual Savings Life, Ala.	7,111,450	1,025,483	2,236,610	64,954,465	94,519,419	12,517,280	3,136,919	684,860	3,088,565
Piedmont Life, Ga.	818,075	154,787	446,683	5,904,437	13,800,755	2,866,628	522,962	64,240	547,645
Protective Life, Ala.	55,363,135	4,932,780	4,404,161	72,190,233	531,770,417	57,963,213	4,132,153	7,621,287	10,539,440
Prudential	10,944,480,590	275,075,929	98,272,878	5,624,316,975	43,184,711,750	4,075,357,877	1,471,580,500	798,533,016	1,181,255,153
Security L. & A., Colo.	32,100,298	3,218,486	3,081,076	68,479,487	279,885,129	50,064,488	8,432,043	3,863,490	7,166,621
State Farm Life, Ill.	75,984,479	12,860,869	12,159,424	187,599,041	715,258,071	143,957,572	18,447,099	3,526,681	12,743,262
Time, Tex.	493,342	—100,460	352,180	4,493,518	14,185,137	—2,581,024	—166,480	42,395	126,899
Western Life, Mont.	59,452,067	5,847,620	5,185,205	37,970,916	260,405,881	22,077,091	8,725,601	3,137,276	10,190,970
Western National Life, Tex.	2,019,588	652,168	883,554	46,869,244	37,236,351	2,957,824	1,653,512	329,499	1,350,601
Western & Southern Life	556,161,536	48,667,887	49,009,192	299,717,757	2,693,504,976	174,124,970	83,557,632	30,701,892	54,910,570

*New business figures include the following amounts of revivals and increases for 1953 and 1952, respectively: ¹ \$106,576,035, ² \$81,762,286; ³ \$1,026,288; ⁴ \$719,260; ⁵ \$42,254,658, ⁶ \$42,402,074.

¹ Total paid to policyholders includes only dividends allocated to group life insurance and group A&H policies issued after January 1946 (the company became fully mutualized on April 15 1946); all group policies issued prior to Jan. 15, 1946 were issued on the non-participating basis and have been and are administered with the allowance of experience rating credit premium refunds as earned. These refunds amounted to \$2,857,847 in 1953. As these items are considered, the premium income becomes \$39,255,332 and the total paid to policyholders in 1953 becomes \$32,121,734. ² Not including statutory contingency reserve of \$484,614,351.

Agency Men Must Win Friends on Wide Front

It is important for the agency officer to win friends in many quarters—in his department, in the home office, in the field, in the industry and in the policyholder family, said John D. Brundage, assistant to the president of Bankers National Life, in his talk at the Agency Management (formerly small companies' conference at Chicago).

As examples, he told what Bankers National does: semiannual agency department activitity and field personnel review; a committee to carry on a continuing informal review of forms and procedures to improve agent and policyholder relations; a senior and junior management council; a weekly agents' bulletin and a monthly magazine sent to the home; monthly meetings for the home office employees' association; a working system to keep agents informed on the progress of cases and reasons for delays; a booklet about the company for visitors; a weekly company newspaper.

As part of the company's objective of becoming known as "an easy company to do business with" in relations with agents and policyholders, Mr. Brundage cited its policyholders' service bureau, its suggestion system for employees, prompt correction of trouble when it arises, daily review of submitted cases. He discussed personnel problems, what to do about agency department overloads and frictions, and inter-department squabbles.

More often than not, there is an opportunity to give praise and Mr. Brundage called praise, sincerely given, "the most efficient tool in the box." He suggested daily application review for spot praise; encouragement of birthday lunches by the president; encouragement of birthday cards from agent to policyholders; wedding anniversary flowers to wives of general agents and a millionaires' dinner.

N. J. A&H Assn. Hears Cassidy on Report Value

Guest speaker at the March meeting of New Jersey A&H Assn. was William W. Cassidy, Newark assistant manager of Retail Credit Co., who spoke on the importance of reports in the A&H industry. He emphasized that not only the companies but the producers benefit by accurate and disinterested reports, inasmuch as they lead to sound and profitable production for both parties. The reporting company also benefits in direct relationship to the progress of these parties.

To uncover up-to-date and pertinent

information, the inspector must be given clues and points of special caution to be watched in making the report, Mr. Cassidy said, but he must not be furnished with too much file information. Rather, the findings of his investigation should be checked against detailed filed information after the field work is done. The best information seems to be developed through the subject's business connections and neighborhood informants must be closely evaluated to avoid prejudiced reports. With the moral hazard being of equal or greater importance to physical status, the speaker felt that reports are a "must" to successful underwriting.

Great-West Holds Chicago Regional

Great-West Life held one of a series of five regional conferences for field men at Chicago this week. D. E. Kilgour, assistant general manager and director of agencies, presided over the meeting for all U. S. agents east of the Rockies.

Among the principal topics discussed were A&H, programming and direct mail. H. W. Manning, vice-president and managing director, opened the meeting, and others from the head office who participated were J. B. Netfield and E. A. Palk, superintendents of agencies, and J. C. Davey, agency assistant.

Record LOMA Registration

A record total of 311 life companies in the United States and Canada have enrolled 7,309 employees in the LOMA institute examinations for 1954. This compares with 273 company participants and 5,880 students in the 1953 courses, and represents an increase of 28%. A total of 13,260 examinations are being given this year as compared with 10,369 last year.

Examinations will be held the week of May 5 and 550 centers are being established to conduct them in the U. S., Canada, Hawaii, the Philippines and Ceylon. Grading will be done the last week of May. Whereas in the past as many as 50% of starting students dropped out, many study classes are able to enroll their entire starting group in the examinations, Frank L. Rowland, managing director, said.

Great Southwest Promotions

Great Southwest Life of Dallas has advanced Leonard M. Cowley to director of investments, Robert Appelquist to assistant secretary, and Jack M. Bearsch to assistant treasurer.

Mr. Cowley is an independent real estate counsellor at Dallas. Mr. Appelquist, chief underwriter for Great Southwest for about a year, has 12 years' insurance experience. Mr. Bearsch has been office manager since joining the company last September.

More on Plans for Big Hemisphere Conference

More than 300 insurance executives from Latin America, Canada and the U. S. are expected to attend the 5th hemispheric insurance conference in Rio de Janeiro Aug. 19-28. Life, fire, casualty, marine, fidelity and surety, and general subjects including government operations in the insurance business will be discussed.

The U. S. will provide the cochairman for the life insurance discussion group, and members of the U. S. delegation will present technical papers in each of the discussion groups.

A series of papers dealing with different phases of insurance education in the U. S. is being prepared under direction of Arthur C. Goerlich, dean of Insurance Society of New York.

Approximately 50 senior insurance company executives expect to attend the conference as members of the U. S. delegation, which will be headed by John A. Diemand, president of North America and chairman of U. S. Chamber of Commerce's hemispheric insurance conference committee.

Most of the U. S. delegation will leave New York for Rio by Pan American Airways Aug. 18. Mr. Diemand and a group of other executives will leave New York on SS Uruguay, Aug. 5. On the return trip, the Uruguay will leave Rio Aug. 31, arriving in New York Sept. 14.

During the conference, James S. Kemper, head of the Kemper insurance group, ambassador to Brazil, will entertain delegates at a reception at the embassy residence. Mr. Kemper was the principal organizer of the first conference in 1945.

Show Selling Aids at S. F.

Modern recruiting methods stressing life insurance selling as a career through audio-visual films were featured at the second of six regional meetings being conducted by Pacific Mutual Life for general agents throughout the country.

Conducting the San Francisco conference, for general agents in northern California, Oregon, Washington and Utah, were Fred S. Sibley, agency vice-president; Fran Bowen, supervisor of agencies; R. E. Daisey, manager of advanced agency training; A. F. Gardner, manager, basic training, and J. Swanstrom and E. R. Smith, supervisors of agency training.

Besides illustrating selling as a career, the films include graphic pictures demonstrating the procedure of business insurance sales and training. The company is making available to all agents visual sales kits and units which will enable them to make similar demonstrations, by film or recordings in the prospect's office.

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PENNSYLVANIA

FRANK M. SPEAKMAN
CONSULTING ACTUARY
ASSOCIATE
E. P. Higgins
THE BOURSE PHILADELPHIA

List Considerations Before Opening New Territories

Problems in "opening new territory" were discussed by 15 agency officers during a panel on that subject at LIA-MA's agency management conference in Chicago. Leader was Harry S. McConachie, American National Life.

Mr. McConachie posed five questions: "(1) How do I decide the size of community in which we will establish agencies? How do I decide what market we can best reach? (2) Can a seasoned manager or general agent be successfully transplanted from one territory to another? (3) Can I successfully take an agent from another company and make him a manager in the new territory? Can I recruit successfully from other lines of management and place the man in the new territory? (4) How long should the manager "major" in personal production before he starts agency building? (5) What costs must I consider in undertaking new territorial development?"

Discussing question one were Sam E. Miles, Provident L. & A.; Kenneth D. Hamer, Pan-American Life, and James E. Scholefield, North American L. & C. Mr. Miles indicated his company "had not had to go out to seek men." He said about 75% of its agencies had been established "as the result of one of our general agents selling someone

on coming with the company." He spoke of "many indirect agency building benefits" derived from the accident side of the business.

Mr. Hamer emphasized his company's policy of "concentration within a state." He said the objective is usually to build a group of agencies within a state and this enables the company "to concentrate its advertising, promotion and all management effort." Pan-American's agency building program in Kansas, where the state has been divided into five so-called trade areas, calls for one agency in each of these strategic areas.

Mr. Scholefield, asked why his company expanded north over the border to Winnipeg, explained that city actually is closer to the Minneapolis home office than either Milwaukee or Chicago. The company believed it had a big market "right on the back doorstep and this proved to be the case."

Speaking on question two were Joseph Dickman, Provident Life of North Dakota, Clyde J. Summerhays Beneficial Life, and R. H. Threlfall, Western States Life.

Mr. Summerhays suggested four conditions the agency officer should consider before trying to "transplant a man." (1) Has the man been successful where he is now? (2) If the man himself proposes the move, find out what his real reasons are. (3) Consider the cost involved. (4) Get the reactions of members of the man's family.

Mr. Threlfall said the agency officer "should be sure on all counts before moving a man."

He suggested brokerage experience was valuable to a man entering a new territory. Mr. Dickman listed several examples of men who had been "transplanted successfully" within his own company.

Discussing question three were Doyle Zaring, Indianapolis Life, and Charles C. Robinson, Columbian National. Both agreed that under proper conditions an agent from another company can be successful as manager in a new territory, but they did not think it advisable to take a manager from another line of business and place him in life insurance management in a new territory.

Question four was handled by Max V. Goken, Lafayette Life; Lee Cannon, Western Life, and Charles H. Heyl, Bankers Life of Nebraska.

Mr. Goken said his company's problem "was to keep its managers from hiring men too early." He said the policy was to have the "debit balance reduced from about 50% to 25% before hiring any men." Mr. Heyl said the Bankers Life policy was "to build right from the start." He pointed out that generally a personal producer has trouble supporting the overhead of an agency and "so we look for and support the kind of fellow who can develop an agency."

The fifth question was discussed by James W. McClellan, Norwich Union Life of Toronto; Clarence J. Skelton, Republic National Life; Norman T. Carson, Security Mutual of Binghamton, and E. A. Frerichs, Security Mutual of Nebraska.

Stating that his company began in Canada in 1947, Mr. McClellan described the policy as one "concentrating everything on new manpower." He said his philosophy in opening new territory was to start his man with an office comparable with other company offices in that area. His feeling was that the manager should not be required to be a personal producer.

Mr. Skelton said the cost of supervision in a new territory was important and he explained that his company "sets a plan for this to extend over a certain period." He listed four other points at which Republic National considers the cost of opening new territory: "We check on what the competition is doing in that area; we determine if our type of financing will meet the conditions of that area; we determine how well we are known and whether we have any old business there; and we consider the expense of putting our company name before the local public."

"To do the very best with what we have and not try to compete with others who may be more affluent," was the principle expressed by Mr. Carson. He said Security Mutual locates all its agencies within easy physical reach of the home office, and that this policy pays off in "making the agent feel he belongs." He said expenses are kept down since all agencies are close and can be contacted frequently by home office people.

Mr. Frerichs said his company feels "at least \$5,000 must be invested during the first year to move a man into a new territory."

Convention Dates

April 1-2, National Assn. of Insurance Commissioners, Zone 5, Fantenelle hotel, Omaha.

April 5, NAIC life blank subcommittee, Hotel Commodore, New York City.

April 5, NAIC uniform accounting subcommittee, Hotel Commodore, New York City.

April 5-7, NAIC blanks committee, Hotel Commodore, New York City.

April 21-23, Life Insurers Conference, annual, Boca Raton Club, Boca Raton, Fla.

April 23, Agency Management Conference, Ohio State University.

April 26-28, LIAMA, Combination Companies Conference, Homestead hotel, Hot Springs, Va.

April 26-28, Home Office Life Underwriters Assn., annual, Statler hotel, New York City.

April 29-30, Society of Actuaries, eastern spring meeting, Hotel Chalfonte-Haddon Hall, Atlantic City.

April 30-May 1, New England management conference, Swampscott, Mass.

April 30-May 1, Kansas State Assn. of Life Underwriters, annual, Salina.

May 3-5, Insurance Accounting & Statistical Assn., Baker hotel, Dallas.

May 3-6, H. & A. Underwriters Conference, annual, Hotel Roosevelt, New Orleans.

May 6, Colorado management conference, Denver.

May 6-7, NAIC zone 2, Dupont hotel, Wilmington, Del.

May 7-8, Pacific northwest area conference, Portland, Ore.

May 10-12, 1954 Agency Officers Round Table, Williamsburg Inn, Va.

May 13, Florida managers conference, Miami Beach.

May 13-14, New York State Assn. of Life Underwriters, annual, Rochester.

May 17-18, Assn. of Life Insurance Counsel, Greenbrier hotel, White Sulphur Springs, W. Va.

May 19, Southern California area conference, Pasadena.

May 19-21, North Carolina Assn. of Insurance Agents, annual, Carolina hotel, Pinehurst.

May 21-22, Illinois Assn. of Life Underwriters, annual, Decatur.

May 25-28, Canadian Life Insurance Officers Assn., annual, Seigniory Club, Montebello, P. Q.

May 27-28, Kentucky Assn. of Life Underwriters, annual, Brown hotel, Louisville.

May 27-28, Pennsylvania Assn. of Life Underwriters, annual, Bradford.

June 2, Fraternal Actuaries Assn., spring meeting, Edgewater Beach Hotel, Chicago.

June 3-4, Society of Actuaries, western spring meeting, Edgewater Beach hotel, Chicago.

June 5, NAIC zone 4, Sheraton-Cadillac hotel, Detroit.

June 7-11, National Assn. of Insurance Commissioners, annual, Sheraton-Cadillac hotel, Detroit.

June 11-12, Eastern General Agents and Manager Conference, Bedford Springs, Pa.

June 14-25, American Life Convention, life officers investment seminar, Beloit College, Beloit, Wis.

June 15-18, Million Dollar Round Table, annual, Hotel del Coronado, Coronado, Cal.

June 17-19, California Assn. of Life Underwriters, annual, Berkeley.

June 17-19, ALC medical section, annual, Grand hotel, Mackinac Island.

June 24-26, Texas Assn. of Life Underwriters, annual, Austin.

June 24-26, Texas Assn. of General Agents & Managers Conference, Austin.

Aug. 11-14, Federation of Insurance Counsel, Schroeder hotel, Milwaukee.

Sept. 13-15, International Claim Assn., annual, Wentworth-By-The-Sea, Portsmouth, N. H.

Sept. 13-15, Bureau of A&H Underwriters, annual, Broadmoor hotel, Colorado Springs, Colo.

Sept. 20-24, National Assn. of Life Underwriters, annual, Boston.

Sept. 27-29, Life Advertisers Assn., Sheraton-Gibson hotel, Cincinnati.

Sept. 27-29, Life Office Management Assn., annual, Shoreham hotel, Washington, D. C.

Oct. 5-8, ALC annual, Edgewater Beach hotel, Chicago.

Sept. 29-30, Michigan Life Agency Management Conference, Michigan State College.

Oct. 13-15, Assn. of Life Insurance Medical Directors, annual, Royal York hotel, Toronto.

Oct. 21-22, LIAMA Atlantic alumni conference, Rye, N. Y.

Oct. 20-22, Society of Actuaries, Hotel Stafford, Boston.

Oct. 21-23, Mid-West Management Conference, French Lick Springs hotel, French Lick, Ind.

Oct. 28, Northern California agency building conference, Berkeley.

Nov. 8-12, LIAMA, annual, Edgewater Beach hotel, Chicago.

Nov. 15-16, H & A Underwriters Conference, underwriters forum, Hotel Roosevelt, New Orleans.

Nov. 17-19, Institute of Home Office Underwriters, annual, Roosevelt hotel, New Orleans.

Nov. 29-Dec. 3, National Assn. of Insurance Commissioners, midwinter, Hotel Commodore, New York City.

Dec. 7-8, Life Insurance Assn., annual, Waldorf-Astoria hotel, New York City.

Dec. 9, Institute of Life Insurance, annual, Waldorf-Astoria hotel, New York City.

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Great Southern's Agents' Success Parallels Great Southern's Growth

In 1950 there were thirteen agents who qualified for Great Southern's Leaders' Legion by placing over five hundred thousand dollars of life insurance.

In 1953 there were sixty-three agents in the Leaders' Legion, thirteen of whom achieved the goal of qualifying for the 1954 Million Dollar Round Table.

And in 1953 the average placement for Great Southern agents was over four hundred twenty thousand dollars.

Great Southern's Liberal Commission Schedule, its complete line of policy contracts, its non-contributory agents' benefit plan, its program of continuous training, and all the many other sales aids have resulted in a high morale among Great Southern agents. These benefits have continually led to higher sales per agent paralleling the growth of the company itself, a company that proudly serves a great people in a great section of our country.

GREAT SOUTHERN Life Insurance Company

Founded 1909

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• The Klein agency of Home Life of New York at Chicago held its annual conference, with John Walsh, vice-president, and Francis H. Low, assistant to the president, representing the home office as speakers.

• Ervin F. Rucklos, president of Rucklos Calcium Carbonate Co., Lincoln, Neb., has been elected to the board of Woodmen Central Life.

Life, A&H Cover Real Partners, Huebner Tells Meet

Characterizing A&H insurance and life insurance as teammates for the great majority of American families, Dr. S. S. Huebner told the Western New York A & H Assn. at its annual sales congress in Buffalo that it provided a very important form of "business interruption" insurance which indemnifies against the temporary loss of earning power.

By and large, both kinds of insurance deal directly with the protection of the dollar value of the human life, Dr. Huebner said. It seems quite logical, economically speaking, for life insurance companies to undertake the writing of A&H insurance in addition to their regular life insurance contracts.

Dr. Huebner, president emeritus of American College of Life Underwriters, referred to the three types of economic death—physical death, retirement death, and "the living death" (disability), and said that accident and health insurance should be regarded as an annuity. The purpose of total and permanent disability insurance is to furnish a regular life annuity of a stated amount to the victim of the living death Huebner declared, just as life insurance is designed to give a regular life annuity to the victim of compulsory retirement.

Expressing the belief that people should be educated to take care of their own minor expenses of hospitalization instead of "hanging perpetually on the fringe of almost immediate financial exhaustion when disability strikes," Dr. Huebner said the real mission of insurance should be "the indemnification of losses that amount to something—that really hurt financially—rather than the payment of small losses of a trivial character." The emphasis should be toward a larger indemnity to meet real disability income loss situations, rather than the payment of numerous tiny losses relating to only short periods of disability.

To change the general mental attitude will require much educational effort. But the time has come to convince people to take a friendly view toward the use of a generous deductible in order to get, at a fair price, the mental security associated with a larger indemnity, spread over a longer period of disability, Dr. Huebner said.

In describing life insurance and A&H insurance as being very similar in their fundamental mission, he said A & H protection serves as property insurance in the same way that life insurance does. The total 1952 cost of accidents alone exceeded \$3 billion. He also pointed out that at age 30, the chance of long term disability (lasting three months or longer) is 2.7 times as great as the chance of dying, and at age 40 it is 2.3 times as great.

"With such a decided possibility of disability loss during the working period of life, we may well ask if there are many American families who should gamble with the heavy chance of disability, and who can afford to bypass accident and health insurance?" Dr. Huebner queried.

Three principal recommendations offered to the business by the speaker are: that the companies develop an "ounce of prevention" conservation service to keep people healthy, even though the public may require a lot of education to accept its value; pro-

fessional underwriting standards be adopted in the business similar to those in life insurance underwriting symbolized by the CLU movement, that a program of general education should be conducted to convince the nation of the importance of A & H insurance.

Under the latter, Dr. Huebner said: "A great opportunity and a duty lie before the accident and health insurance industry to indoctrinate the millions of laymen to a proper appreciation of the beneficent service of accident and health insurance to the family business and to the vocational business through the nation's educational system on both the collegiate and the high school levels."

New Newsletter Spots Added Tax Advantage for Life Insurance

Business Reports, Inc., of Roslyn, N. Y., has brought out a semi-monthly newsletter, *Investment Planning*. A special four-page memorandum on an important and timely subject will accompany each issue. The memo accompanying the first issue deals with the problem of financing retirement. The *Investment Planning* report itself mentions advantages in the shift of capital into life insurance.

"Single premium, five-pay or 10-pay life policies show important advantages to high bracket men," the newsletter points out. "At 35 you can buy \$100,000 of death proceeds for \$60,000. At 65 you have a guaranteed cash value of close to \$80,000. More than that, tax-free dividends will have cut your \$60,000 cost in half. That adds up to a \$50,000 capital gain virtually guaranteed if you wait 30 years—and \$100,000 death protection all the way."

"Now, the 1954 revenue act promises to allow you to take the \$100,000 out of your estate if you give the policy to your wife or children. If your estate tax bracket is 30%, \$100,000 tax-free is the equivalent of \$143,000. Thus, with a single premium policy, \$60,000 at 35 can be converted into the equivalent of \$143,000 without income, gift or estate taxes. Look for this to bring out renewed interest in using capital rather than income to buy high-premium life insurance."

Reinsurance Hearing Set

Insurance companies, prepayment plan organizations, Blue Cross and Blue Shield, and others whose representatives testified at the Wolverton committee's A&H hearing, have been asked by the House Interstate and Foreign Commerce Committee if they wish to appear at a hearing, tentatively set for April 1, on health reinsurance legislation.

The hearing will incorporate discussions of a House bill which would authorize insurance of mortgages to obtain funds for facilities for operation of voluntary health and medical care plans. First witness at the reinsurance hearing will be Secretary of Health, Education and Welfare Hobby.

Opposition to the administration's bill is expected from casualty circles, where the theory has originated that the \$25 million "foundation" fund authorized in the bill to start off the reinsurance plan would be only a "drop in the bucket" to what ultimately would be required to run the program. Permanent participation by the government in the A&H field is feared.

Austin Life Promotes Neff

Austin Life of Texas has promoted Jack E. Neff, Jr., from assistant secretary to agency vice-president in charge of field activities. He has been with the company four years.

SHOW 1953 INSURANCE RESULTS

	New Bus.	New Bus.	1953 Inc. in	1952 Inc. in
Canada Life	1953	1952	In Force	In Force
General American Life	286,359,409 ¹	236,120,103 ²	203,595,187	150,084,188
Prudential	217,639,879 ²	163,587,327 ²	174,541,850	120,251,194
Protective Life, Ala.	5,624,316,975	4,255,910,846	4,075,337,877	2,806,681,267
Security L. & A., Col.	72,190,233	53,297,605	57,963,213	43,245,050
Travelers	68,479,487	69,406,926	50,084,488	38,885,794
State Farm Life, Ill.	1,069,917,518	900,730,312	1,481,142,450	1,251,655,585
	187,599,041	138,358,350	143,957,572	101,423,686

New business figures include the following amounts of revivals and increases for 1953 and 1952, respectively: ¹, \$44,948,518, \$43,968,502; ², \$106,576,035, \$81,762,286.

Has New Houston Home Office

Southern Republic Life of Houston has moved into larger quarters in the Southwestern building there. The bus-

iness of Sunland Life of Phoenix is being merged with Southern Republic. Both companies are owned by Continental Fidelity Investment Co. of Houston.

MULTIPLE SCLEROSIS

We believe ... that through progressive thinking and careful calculation of the risks involved,

Life Insurance can be made available to many people who were formerly considered uninsurable.

Take for example — Multiple Sclerosis. We believe that in certain cases people with this impairment are insurable. This belief is backed up by contracts that have been placed and are still in force.

We invite your inquiry.

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THE
MANUFACTURERS
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EDITORIAL COMMENT

Small Policy Is a Dying Breed

As the life companies make public the details of their 1953 operations, it is seen that the size of the average policy was larger last year than ever before. Many of the smaller and medium size companies show records of an average policy of from \$3,500 to \$4,200. Even 10 to 15 years ago such figures would have been regarded as almost fantastically high.

There has been a steady increase in the size of the average policy issued by practically all companies. If present conditions continue, it will become even larger. It is almost futile for the average family man to buy a \$1,000 or \$2,000 policy today. Life underwriters who are programming intelligently

usually find that the average prospect is under-insured by at least \$10,000 to \$15,000 or more. There is no question of a \$1,000 or \$2,000 shortage.

As wages, salaries and prices have risen, so have life insurance needs and the policyholders' or prospects' concept of adequate life insurance coverage. People talk of the dollar as being worth approximately 50 cents today, and that being the case the \$2,500 policy of 10 to 15 years ago should now be a \$5,000 policy. From present indications, it will only be a few more years until \$5,000 policies will be written as \$1,000 and \$2,000 ones were a decade or so ago.

The Big Bull Market in Life Stocks

Since 1950 the market prices of the stocks of practically all life companies have at least doubled. Several have trebled and quadrupled. While the prices of stocks cannot be taken as an infallible guide, it should be realized that when any such increase as this occurs the investing public is expressing its confidence in and giving its endorsement to a very important business, the shares of which have been comparatively neglected in the past. The heavy and continued purchases of life insurance stocks at the highest prices in their history indicates clearly that thousands with investment money have the firm belief that the life insurance business has prosperous years ahead of it.

Investment houses that are specializing in life insurance stocks and recommending them strongly to their clients are not merely hopeful. Instead, they have engaged in extensive research and are able to point to numerous reasons why the life insurance business as a whole is headed for continued prosperity. For the most part such analysts say that the outstanding growth and expansion of life insurance began with 1940. It is due principally they say to sharply increased writing of group life, group annuities, insured pension plans, business, key-man, juvenile, credit, mortgage and retirement insurance.

They point out that practically all of these coverages were not written extensively prior to 1940. Most of their rise accompanied the general prosperity of American business. For example, today most corporations of any pretensions are virtually obliged to carry

group insurance and to have some form of retirement plan as well as hospitalization. They must buy these coverages because all of their competitors do, and desirable employees expect it and can get it. In fact the scarcity of first rate employees is responsible also for the widened market for business and key-man life insurance.

Those who are bullish about both the short and long range future of life insurance have as their premise the contention that life insurance production is on a permanently higher level and that it has been brought there by a variety of factors. One of the most important of these, it is argued, is that the United States has had an inflationary economy, that inflation in some degree is going to continue, and at the present time no one can predict how soon or when the government will balance the budget. So long as the United States is operating on a deficit financing basis there will be inflation, and inflation works strongly in favor of life insurance. Briefly, inflation causes money to be worth less and to buy less. In reality life insurance companies are only selling money; money to be delivered to someone at a specified date and with money worth less than it was formerly, more life insurance has to be bought in order to increase the purchasing power. Life insurance programs that have not been reviewed and revised upward during the last 10 years are glaringly inadequate.

The almost startling growth in population has boosted life insurance sales noticeably. The population of the country is increasing at the rate of

7,000 a day. This daily crop of babies produces a gratifyingly large number of prospects for industrial and juvenile insurance, but even more important than this fact, it causes the fathers to realize their additional responsibilities and to buy more ordinary life insurance. The United States has never had such a large and continued increase in population and there is no present sign of a diminution of it.

Agency forces are better trained and more thoroughly informed. The public attitude is more receptive to life insurance. The uses for life insurance have multiplied. There are many more situations for which life insurance is the only satisfactory answer. There are now nearly 800 legal reserve life companies whose agency organizations are active in the field.

The old conceptions of life insurance and its sales possibilities are gone for good. Today's estimates of how much life insurance may be sold and to whom and for what purposes have to be based on existing conditions which are now seen not to be temporary but

have an appearance of permanency.

Investment brokers who are urging their clients to buy stocks of selected life insurance companies point out that in the history of all important businesses there is a period during which each business "arrives" or comes of age and that it is at this point that an investment may be made most advantageously. For illustration, it is pointed out that it would seem that the air-conditioning business is on the eve of an unprecedented expansion. It is not an entirely new business, of course, but its varied and multiplying uses are only now being realized. The same situation was true some years ago with both television and radio.

Dealers in life insurance securities, particularly those who have made a penetrating study of them, have the deep-seated conviction that the present level of life insurance production is the lowest that will be seen by this generation and that it is not only optimistic but realistic to believe that the life insurance business as a whole has a steady strong growth period ahead of it.

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PERSONAL SIDE OF THE BUSINESS

George B. Cook, whose advancement to executive vice-president of Bankers Life of Nebraska was reported last week, has been with the company since 1931.

Mr. Cook started with Bankers as a clerk, later becoming manager of the bond department and in 1946 investment vice-president. He has been a director since 1941 and served in the navy in the last war.

Frazar B. Wilde, president of Connecticut General Life, is chairman of the research and policy committee of Committee for Economic Development, which has issued a statement of "Defense Against Recession: Policy for Greater Economic Stability". **Leroy A. Lincoln**, chairman of Metropolitan, is a member of the committee.

Reinhard A. Hohaus, vice-president and chief actuary of Metropolitan, has been named by Governor Dewey as head of New York state's reorganized commission on pensions. **Superintendent Bohlinger** and **Robert McAllister Lloyd**, president and chairman of Teachers Insurance & Annuity Assn. and College Retirement Equities Fund, are among members of the commission, which will have as its dual purpose integrating state and local retirement

systems with social security, and reducing New York City's pension costs. This is the first time the group will function on a year-round basis with a permanent staff.

Harry E. Wuertenbaecher, general agent of Penn Mutual Life at St. Louis, has been appointed special gifts chairman of the American Cancer Society's drive there to raise \$150,000 for cancer research, education and patient service.

Gulford Dudley, Jr., president of Life & Casualty, has been named to the advisory board of division of industrial research of Vanderbilt university at Nashville. **H. H. Corson** and **Paul M. Davis** of the Davis, Bradford & Corson agency, also are members.

M. B. Simms, assistant secretary and superintendent of agencies of Continental Assurance, on his first visit to Los Angeles in 30 years was honored at a luncheon there by manager Walter E. Mast.

Miss Catherine Nachel, assistant secretary of H&A Underwriters Conference, is in South Shore hospital, Chicago, for a major operation. She is expected to be off the job for about six weeks.

Theo. P. Beasley, president of Republic National Life, has been elected to the board of trustees of Texas Christian University.

C. Bayne Marbury, treasurer of Aca- cia Mutual, has been elected a director of National Metropolitan Bank.

The NATIONAL UNDERWRITER

—Life Insurance Edition

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PITTSBURGH 22, PA.—508 Columbia Bldg., Tel. Court 1-2494. Bernard J. Gold, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.



DEATHS

JOHN T. ACREE, Sr., executive vice-president and a director of Lincoln Income Life, died at his home in Louisville. He was 83. Mr. Acree started his insurance career 50 years ago with Metropolitan Life. He was one of the founders of Lincoln Life & Accident of Oklahoma, which consolidated with Income Life of Louisville in 1936. Two sons are with Lincoln Income. John T. Acree, Jr., is president, and George F. Acree is director of advertising and public relations.

OLIVER R. DOBBS, Jr., 46, district manager for Life of Georgia at Valdosta, Ga., since 1944, died. He joined the Athens, Ga., agency in 1927 and had been manager at Nashville, Meridian, Miss., and Albany, Ga.

MARK V. KUHN, 58, associate general agent for National Life of Vermont at Long Beach, Cal., died at his home from a heart attack. He started in the business in 1933.

WILLIAM A. YOUNG, 42, district manager at Toledo for Connecticut General Life, and with the firm for 18 years, died of a heart ailment.

MRS. DOROTHY SWARZMAN, wife of R. I. Swartzman, assistant manager of Equitable Society at Des Moines, Ia., died of a heart attack.

JOHN F. STONE, 81, the first general agent of Equitable Life of Iowa at Columbus, O., serving from 1907 until he retired in 1927, died.

MONROE D. GEORGES, 46, district manager of Monumental Life at Youngstown, O., died.

Joe Hunt Has Backing for Okla. Commissioner

One of the candidate possibilities for Oklahoma insurance commissioner at the November election is Joe B. Hunt, assistant actuary of the state insurance board.

Mr. Hunt has not announced any intention to run but there have been several "Joe B. Hunt for Insurance Commissioner" clubs formed in Oklahoma City. Mr. Hunt has to adhere to

an administrative order of Governor Murray, which holds that any state employee actively engaging in a political activities or making a race for office must first resign his position.

Mr. Hunt has been on the board since 1942 and has served as a rate man and for six years has been assistant actuary. Before that he was with Western Reserve Life, a Texas company.

Chelgren, Reichel Named by North American L. & C.

North American L. & C. has promoted Paul Chelgren from 2nd vice-president and assistant director of agencies to 2nd vice-president and superintendent of agencies. Eugene L. Reichel has been appointed assistant director of agencies.

Mr. Chelgren joined the company in



Paul Chelgren



Eugene L. Reichel

1951 after nine years as general agent for Mutual Trust Life at Minneapolis. He entered insurance in 1938 with New York Life at Eau Claire, Wis.

Mr. Reichel has been with Midland National Life of South Dakota as home office supervisor in charge of Minnesota, Iowa, Illinois and Kansas. A navy air force veteran, he has been in insurance since 1946.

New Houston A&H Officers

New officers of Houston A&H Assn. are James H. Kirkpatrick, Provident Life, president; Herman Reeves, American Capitol, 1st vice-president; John Brazzel, Murray Houston agency, 2nd vice-president, and A. J. Lucia, Lucia agency, secretary.

Jefferson Standard Life has purchased and leased back to the Bettendorf grocery chain its newest store at St. Louis. The price is reported as \$635,000, and the lease will run 25 years.

N. Y. State Assn. Asks Veto of Variable Annuity Measure

ALBANY—The New York State Assn. of Life Underwriters has made strong representations to Governor Dewey urging him to veto the bill which is before him to permit establishment of the Variable Annuity Corp. of America.

The association said it has no objection to the corporation or to the variable annuity principle, but opposes use of the word "annuity" in this connection on the ground that it has a connotation of security in the public mind that is not consistent with the type of contract to be offered by the corporation. The plan calls for investments in common stocks and other equity-type securities. Income to the contractholder would not be guaranteed, but would fluctuate with earnings on assets, the aim being to reflect variations in the dollar's purchasing power rather than guaranteeing a specified number of dollars.

"The use of the word 'annuity' has come to mean a definite, certain payment, with comfort and security for the holders of annuities, in the eyes of the public," said the New York association in a memorandum to state senators before the bill's passage, 53-2, in the upper house. "There is no assurance that this new corporation will issue a certificate which will bear any resemblance to what the public has come to understand by the use of the word 'annuity,'" the association added.

The association asked that the matter be thoroughly studied by insurance interests if it is to be incorporated under the provisions of some of the sections of the insurance law, as the bill contemplates. The association also stated that "this bill should be examined from the point of view of discrimination between this new corporation and others now issuing annuities controlled by the insurance department and all the insurance laws."

The association emphasized that "this corporation would receive the benefits of four articles of the insurance law, plus some miscellaneous sec-

tions, but it would be exempted from 21 articles of the insurance law written to protect the citizens of New York state".

Noting that the bill was not referred to the insurance committees of either the assembly or senate, but to the assembly judiciary committee and the senate committee on corporations, the association makes the point that because the corporation would be regulated by certain provisions of the insurance law it should be considered by the insurance committees of the legislature.

The bill was earlier regarded as inactive because the state association had understood informally from the insurance department that the department would not permit the bill to become law. When passage of the bill appeared imminent in the senate, after its passage in the assembly, the association sought the help of the insurance department, but it was explained that neither Superintendent Bohlinger nor his deputies could volunteer an opinion on a bill that had been cleared by committees other than the insurance committees. However, Mr. Bohlinger indicated that he would give an opinion if requested and this information was conveyed to the senate majority leader, Walter Mahoney.

W. E. Howarth Promoted

Prudential has appointed W. Edward Howarth manager at Rochester, succeeding Howard C. Batty, retiring. Mr. Howarth entered the business in 1940 and in 1947 joined Prudential as head of the New Bedford (Providence) branch office. In 1950 he was transferred to the home office and later promoted to senior claim consultant. He was named associate manager at Rochester last year.

Eases War, Aviation Rules

Occidental Life of California now will write world-wide aviation coverages on military and civilian risks, and has liberalized underwriting of military risks.

Coverages ranging from \$2,500 to \$10,000 are now available, without a war exclusion clause, for military personnel anticipating foreign duty, while limits from \$5,000 to \$25,000 can be written on the same basis for military risks not anticipating foreign duty.

Similar coverages are available for military aviation risks with the addition of an extra premium.



"Imagine me becoming

a BIG Insurance Man in my Community
in such a short time!"

Wrote a General Agent

A Message to Men Who Want to Be (AND ARE CAPABLE OF BECOMING) "BIG INSURANCE MEN"

DO YOU FEEL DWARFED BY HAVING GONE AS FAR AS YOU CAN where you are?

If your ability exceeds your present opportunity, you need not be held back. You may easily qualify as a General Agent for this fast-growing, well established company and become a really BIG insurance man in your community.

If you feel you are properly qualified, you are invited to "FIND OUT". It will pay you to learn about the unusual features offered: the liberal compensation, full cooperation from the home office, and the opportunity to GROW WITH US.

• Phone, wire or write Robert W. Staton, Agency Director

CENTRAL STANDARD LIFE
Founded 1905 **INSURANCE COMPANY**

211 W. Wacker Drive

Chicago 6

Train Agents to Be Salesmen or Trouble's Ahead, Coffin Warns

LOS ANGELES—The education, financing, and compensation of agents have made tremendous strides in the last 25 years, but there is a tendency on the part of field management to fail to give enough emphasis to training agents to be salesmen, Vincent B. Coffin, senior vice-president of Connecticut Mutual Life, told the Los Angeles Managers Assn.

Mr. Coffin mentioned the failure of the average agent today to see enough people, his weakness in the whole field of prospecting, his rather slipshod work habits, and particularly his tendency to substitute knowledge for salesmanship. The speaker made it clear that these criticisms don't apply to all field men, citing the Million Dollar Round Table members, as a class, as a notable exception. But he gave many illustrations to show that without a sound foundation of good sales habits a man's success in the business is likely to be purely temporary. He reminded the managers that most new agents are first taught to be salesmen. Then, after some experience they begin to think of themselves as experts. It is Mr. Coffin's opinion that unless they become salesmen again they will not find permanent success in the business.

Form New Ind. A&H Assn., Iiams President

The existing Indiana A&H Assn., whose membership has been confined largely to Indianapolis, has changed its name to Indianapolis Accident & Health Assn. and a new state association has been formed which will set up additional local associations in the state.

Officers of the new Indiana association are: President, Noel Iiams, Business Men's Assurance, Indianapolis; vice-president, E. H. Frei, South Bend; secretary-treasurer, R. W. Osler, Rough Notes Co., Indianapolis.

Presiding at the meeting was Spafford Orwig, Orwig agency, Indianapolis, a board member of the International association and chairman of the executive committee of the Indianapolis association.

S. W. Life, Tex., Changes

James P. Swift has been named vice-president and general counsel of Southwestern Life of Texas. W. Dawson Sterling and William E. Underwood, Jr., were appointed assistant secretaries and Frank M. Wood, Wichita Falls, Tex., oil man and drilling contractor, was elected to the board.

Mr. Swift has been the company's general counsel since 1948. Mr. Sterling has been with the company since 1947, and Mr. Underwood for more than 16 years.

Million for Wolff Agency

Fidelity Life's Wolff agency in New York City paid for more than \$1 million in February, excluding group and pension trust business. An average size policy of \$16,200 contributed to the record production figure.



KENNETH D. HAMER (2nd from left) Pan-American Life, was elected chairman of the LIAMA agency management conference at its Chicago meeting. Shown with him, from left, are: Burkett W. Huey and Charles J. Zimmerman, both of LIAMA; Frank L. Whitbeck, Jr., Union Life of Little Rock, and Stuart C. Ferris, also with LIAMA.

Schmitz Now Occidental A&H Superintendent

Walter F. Schmitz has been advanced from associate superintendent to superintendent of Occidental Life of California's A&H department. He succeeds Duncan C. McEwen, retired.

Mr. Schmitz joined Occidental in 1949 as A&H agency assistant, and since has held increasingly important positions until becoming associate superintendent in 1951.

Before joining the company he had 12 years' experience in A&H field sales and home office work with Travelers and Loyalty group. He has addressed many A&H gatherings and now is a member of the LIAMA A&H committee. He has served on several committees of Bureau of A&H Underwriters.

One-Quarter of Cal. UCD Payments Held Unnecessary

LOS ANGELES—Of the 4,343,863 claims paid in 1953 by the California unemployment compensation disability fund, 1,125,892 were fraudulent or preventable, according to the state department of employment.

A spot check shows that of the \$97,384,967 paid by the state fund during the year, \$24,346,241 went to claimants not entitled to benefits. The UCD fund competes with the private insurers under the compulsory disability benefits law in California.

Johnston South Coast Chairman

Ralph A. Johnston has been elected chairman of South Coast Life of Houston. Mr. Johnston, who is president of Johnston Oil & Gas Co. and owner of cattle ranches in Texas and New Mexico, helped organize American Country Life last year. This company's name was changed to South Coast Life when it recently purchased the latter company, formerly of Beaumont.

Triennial Exam for P. M. Life

Pacific Mutual Life is undergoing its regular triennial convention examination, with the Pennsylvania, Kentucky, Kansas and Washington departments participating with the California department.

Clarke Pan-American Actuary, Controller

Pan-American Life has appointed John W. Clarke actuary and controller. He has been with Travelers since 1937 except for air force service. He was most recently associate actuary there in charge of recruiting, training and administration of actuarial students. He received a law degree from University of Connecticut and in 1947 became a fellow of Society of Actuaries.

Prudence Life Names Two Managers in Ill.

E. W. Matteson has been promoted to manager at Peoria, Ill., for Prudence Life of Chicago. Formerly supervisor of the company's Tri-City agency at Moline, he replaces John Zoutte, who has resigned. Raymond L. Mills has been appointed manager at Moline.

Brooks Southland Life A&H Chief, Others Raised

Glenn M. Brooks, manager of Southland Life's A&H department, has been named assistant vice-president and director of A&H. W. Neill Johnson, Jr., former assistant treasurer, has been elected vice-president. Herschel Hearne, manager of the actuarial department, becomes assistant secretary in addition to his present duties.

New Cal-Western Lawyers

California-Western States Life is adding Joseph S. Heston, Jr., and Howard L. Jeske to its legal staff. Mr. Heston has been administrative adviser in the California department of finance.

R. I. Surveys Home Accidents

A survey on home accidents is being made in Rhode Island by the state health department, Rhode Island Medical Society and Hospital Assn. of Rhode Island. The authorities are striving to obtain more reliable statistics than are now available on the frequency of home accidents, the types of persons who have them, the seriousness of the accidents and what can be done to prevent them.

Elaborate Programs for Mutual Benefit's Florida Conferences

Mutual Benefit Life's general agents will meet at Miami Beach April 4-7, with the agents meeting at nearby Hollywood Beach April 8-10.

For the agents' meeting the theme is "Sales Plus Service Equal Successful Selling." A huge simulated briefcase will be the backdrop and the theme will be brought out in a series of work sessions—panels and round tables—in which the job of the salesman will be broken down into various departments—likened to the compartments of the briefcase—that must be integrated smoothly for the salesman to achieve maximum efficiency.

Featured speakers at the agents' meeting include President H. Bruce Palmer, NALU President Robert C. Gilmore, Jr., of the company's Hartford agency, and LIAMA President Richard C. Pille, Mutual Benefit's vice-president in charge of agencies, who will conclude the meeting. Many other home office executives and field people will participate.

Troy Post Sells Interest in Dallas Life Insurer

R. E. Garber, president of Reinsurance Co. of America, Dallas, and his associates have acquired controlling interest in the company by purchase of all the shares owned by Troy V. Post and Life of America. Mr. Post said the sale was made to permit him to devote full time to personal and other business interests.

Mr. Garber has been closely associated with Mr. Post in various insurance activities for eight years.

Baketel Wins Union Central's Clark Award

H. Sheridan Baketel, manager for Union Central Life at Philadelphia, has won the Jerome Clark award, with second place going to Donovan F. Moore, general agent at Seattle. The award, named for the late vice-president of Union Central, is given for outstanding achievement in agency operation.

Dittman Named V.P. of Northeastern

NEW YORK—Albert T. Dittman has been named vice-president of Northeastern Life. He joined the company last October as brokerage production manager, following seven years experience as agency and brokerage supervisor with the Allen-Pratt agency of John Hancock in New York City. As vice-president he will have charge of production.

Boston Leads Mutual Agencies

Mutual Boston agency led the company for February in volume and was second in number of policies sold. San Diego was first in policies. The Myer (New York City) agency ranked second in volume and third in policies. Portland, Ore., was third in volume.

Law Refunds USGL Premiums

A bill to refund premiums on U. S. Government Life, cancelled for fraud, has been signed by President Eisenhower. Also introduced in Congress is a bill to grant National Service Life and waiver of premiums to certain totally disabled veterans suffering from service-connected blindness.

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371,500 Employed in Life Insurance Business, a Record

As of Jan. 1, the life insurance industry had 371,500 persons employed in full-time, according to the Institute of Life Insurance. This represents a rise of 17,700 during the year and of 110,300 since the end of the second world war.

While the number employed full-time in the life insurance business has risen 42% since the war, the life insurance handled by these men and women has increased 100% and sales of new policies have gained 170%, according to the institute. While there was one home office employee for each \$1 million of life insurance in force in 1945, there was one employee for each \$2.6 million Jan. 1, 1954. In the field, including managers, general agents, and agents, there was one field man per \$100,000 of sales at the end of the war while at the start of 1954 there was one field man per \$190,000 of sales.

Women now account for about one-third of total life insurance personnel, numbering 121,450 at the beginning of the year. This was 6,350 more than a year earlier and 33,650 more than in 1945. In home offices women account for two-thirds of total personnel, about same percentage as in 1945.

Plan Workshop Session for Chicago Agents April 1

Chicago Assn. of Life Underwriters April 1 is staging a "Workshop" session at the Northwestern university downtown campus. After hearing a talk by Vincent B. Coffin, senior vice-president of Connecticut Mutual Life, those attending will break into smaller groups and engage in informal discussion on such subjects as corporation life insurance, the latest tax angles, group, and simple programming of individual estates.

Speakers and discussion leaders, all from Chicago, are Jack Lawrence, Massachusetts Mutual; Paul W. Cook, Mutual Benefit Life; Eugene Rappaport, Pacific Mutual Life; John O. Todd, Northwestern Mutual; Russell O. Bennett, Crowell & Leibman, corporation tax specialist, and James D. Dabenspeck, McDermott, Will & Emery, estate and trust taxation specialists.

Also, John D. Moynahan, Metropolitan; V. J. Barnett, Aetna Life; A. T. Ackerman, Equitable Society; Samuel S. Herman, Edelstein & Associates; Sol Sackheim, Great-West Life; Carl P. Spahn, Equitable Life of Iowa; Joseph G. Carmen, Prudential, Ramon J. Silverberg, Home Life, and Saul Bloch, Equitable Society.

Caravan Brings Sales Ideas to S. F. Area Life Agents

Estate planning is not a simple task. It requires the combined knowledge of a competent agent, a CPA, attorney and a sound business man, according to A. D. McNeil, tax and estate attorney of San Francisco.

Mr. McNeil, who is also a CPA, said the tax phase is too often overemphasized and that efforts to eliminate tax liability by gifts frequently causes greater complications and more burdensome liabilities than ever.

Mr. McNeil was one of the speakers on the Northern California Sales Caravan which appeared before the San Francisco and Oakland-East Bay Life Underwriters Assns. He substituted for Clemens Mong, former trust officer now with Union Central who was unable to participate.

"The most carefully prepared estate

program can be shot full of holes a few months later," he said. "It can be terribly complicated especially where the tax problem is involved."

Ray Farris, New York Life, San Jose, Cal., who wrote practically all of his \$1,125,000 business last year on package units, discussed that type of selling. He said he carries in his automobile seven packages, with illustrations based on \$10,000 of insurance. He sends out 12,000 letters a year and maintains a daily interview record of three from which he attempts to obtain three more names from each prospect.

Mr. Farris said he approaches many young men and directs his questions toward development of a set objective. "I try to help a young man to set up an objective, but he should not be pressured into one that has been devised for expediency."

Howard Lee, Phoenix Mutual, Oakland, warned against "over-programming" and devoting too much time to preparation of these plans. "An agent can be so expert in programming that he can starve to death."

Program selling, he said, is nothing more than tying two or more packages into one, with room to add others according to future developments.

Feb. Record for Mass. Mutual

Ordinary production for February by Massachusetts Mutual totaled \$35,657,480, a gain of \$2,078,885 over February, 1953, and a new record for the month. This total was second only to January of this year in the company's best production months in its history. February leader was Los Angeles, with John W. Yates and Robert L. Woods in charge.

United American Names Two

United American Life of Dallas has named Robert F. Mills assistant treasurer in charge of the accounting department. He has been with the company since 1950. James A. Graham, vice-president and director of sales, has been named to the board.

Big Gains Disclosed at Union C.&L. General Agent Rally

Increases of 67% in assets and 46% in premium income, with total insurance in force rising from \$290,546,750 to \$366,229,955 in 1953 were reported at the first general agency meeting of Union Casualty & Life, held in New York.

Several new policy forms and sales tools were introduced and the establishment of four production

clubs as well as three trophies were announced.

The keynote address was by Executive Vice-president Leo Perlman. Roy A. Foan, vice-president and director of agencies, conducted the sessions, which ran for two days.

Assets at Dec. 31 were \$4,483,633 and premium income for the year was \$13,325,385.

Since the establishment of the life department 10 months ago, 11 multiple general agencies have been established having a total of 17 associate managers and more than 300 licensed agents.

In the A&H department, principal sum and monthly income limits have been increased. A hospital room and board policy on groups that already have plans providing \$6, \$8 or \$10 can be increased an additional \$3 to \$10 per day. To supplement the disability benefits law requirements in New York state the company now has an excess A&H policy which pays \$15 a week for 13 weeks, eighth day accident and sickness running concurrently. If the disability extends beyond 13

weeks the benefits rise to \$30 a week for an additional 39 weeks. A new co-operative plan is designed for employee groups of four or more, enabling each individual to buy the exact benefits he desires on a payroll deduction basis.

A. Maxwell Kunis, vice-president and actuary, talked on the new "juvenile estate builder" policy which increases five times in face amount at age 21 with no increase in premium rate. It is written on the paid-up at 65 plan, with option for conversion to endowment at age 65.

Union's new association life insurance plan was discussed, with emphasis on the savings obtained by group purchasing. It provides for either life paid-up at 65 with a modified family income rider or life expectancy with the same rider.

There was much interest in the new brokerage or sales kit, so designed that the user can put into it those units he thinks will particularly interest the person it is being shown to. There are different colored folders for various coverages. Other new helps unveiled were the all-inclusive fundamental training manual for new men and a direct mail kit for developing prospects.

Production clubs will be the President's, UCLIC, Union Star, and Honor-Agency trophies to be awarded are the president's trophy, the agency management award, and the agency quota trophies. The first annual agency convention will be held June 5-8, 1955, at Thousand Islands Club, Alexandria Bay, N. Y.

Booker Retires at K. C.

Harry Booker, retiring assistant agency manager for Equitable Society at Kansas City, was honored at a dinner and dance attended by about 250 persons. Short talks were made by A. M. Embry, founder and past manager of the agency; John A. Carr, field vice-president, and Homer Jameson, retired manager.

OUR FINANCIAL STATEMENT

Assets

Cash in Bank.....	\$ 759,033.87
Bonds.....	8,496,820.28
U. S. Government: \$5,384,261.18	
Canadian Government.....	23,795.06
State, County, Municipal.....	1,872,195.77
Public Utility and Industrial.....	1,216,568.27
Stocks.....	1,343,713.00
Preferred.....	1,272,949.00
Common.....	70,764.00
Real Estate Owned.....	685,402.73
Home Office Property.....	460,000.00
For Investment Purposes.....	222,580.76
R. E. Sales Contracts.....	2,812.97
First Mortgage Loans.....	21,948,385.18
Farm Properties Conventional.....	1,689,274.25
FHA & Veterans.....	10,855.35
City Properties Conventional.....	19,180,184.64
FHA & Veterans.....	1,068,070.94
Loans Secured by Legal Reserves on Policies.....	2,021,470.31
Interest Due and Accrued.....	212,186.38
Other Assets.....	21,120.40
Net Premiums in Process of Collection.....	570,203.48
Total Admitted Assets.....	\$36,058,335.63

Liabilities

Legal Reserve on Policies.....	\$30,262,769.54
Commissioners Security Valuation Reserve.....	39,982.76
Unrealized Profit on Stocks.....	12,440.00
Reserve to Provide for Fluctuation of Mortality and Market Value of Assets.....	2,043,070.23
Credits to Policyholders Left with Company on Deposit at Interest	1,083,183.23
Taxes Payable in 1954.....	131,645.00
Death Claims Reported but Proof Not Completed on or Before December 31, 1953.....	35,453.20
Premiums and Interest Paid in Advance.....	479,990.93
Special Funds Payable to Policyholders in 1954.....	10,093.24
All Other Liabilities.....	29,702.50
Capital.....	1,000,000.00
Surplus.....	925,000.00
Total Liabilities.....	\$36,058,335.63

For the Protection of Company Policyholders we had on Deposit with the State of Kansas, December 31, 1953, \$31,363,287.56. This amount is more than required by law. • Insurance in Force December 31, 1953, \$123,193,704.00 • Paid to Living Policyholders and Beneficiaries During 1953, \$1,427,466.05. Paid to Living Policyholders and Beneficiaries Since Organization, \$28,274,316.29.

R. L. BURNS, President • FRANK B. JACOBSEN, Vice President-Secretary, J. H. STEWART, Jr., Vice President-Treasurer



Farmers & Bankers Life
INSURANCE COMPANY

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Ours is the ONLY concern whose sole business is representing sellers and buyers of insurance companies.

We have the connections, the "know how" and the market, which cannot be reached by individual direct effort. We can handle the sale of your company in a quick, quiet, confidential manner.

Our buyers have the CASH and are ready to deal.

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Growth!

During the first two months of 1954, the Lutheran Brotherhood Sales Force produced
\$12,457,235.00

of new life insurance, issued and paid-for. This is a
20% increase
over the sales of new business for the first two months of 1953.

Admitted Assets as of December 31, 1953
\$84,329,974.21
Life Insurance in Force February 28, 1954
\$492,005,616.00

THIS IS YOUR LIFE INSURANCE SOCIETY
Lutheran Brotherhood
LEGAL RESERVE LIFE INSURANCE FOR LUTHERANS
600 Second Avenue South • Minneapolis 2, Minnesota

Service Guide

Valuable Paper Wallets

One or a Thousand
Write for Brochure
J. M. NEWMAN

2328 N. Henderson Dallas, Texas

World's Only Recorder of its Kind
WALKIE-RECORDALL
8-LB SELF POWERED BATTERY RECORDER

AUTOMATIC UNDETECTED RECORDING UP TO 6 HRS.
• RECORDS NOISELESSLY IN OR OUT OF CLOSED
BRIEFCASE, CONTAINING HIDDEN MICROPHONE
WALKING, LYING, LYING, CONVERSATION, TELECON-
VERSATION, 2-4 PERSONS, PAYMENT, ETC.
• VOICE ACTIVATED
• SELF START/STOP
• NO WIRES OR PLUGS
MILES REPRODUCER CO., INC.
832 Broadway, N.Y. 3, N.Y.
Dept. NUL

Discuss Selling A&H At LIAMA Meeting

(CONTINUED FROM PAGE 10)

a closely tied package plan. The prospect is sold both policies at once at a combined premium, and the premium notice shows only one premium. This is a big aid to persistency.

There are two combinations available. One has to do with a mortgage on which there is an A&H coverage with the A&H usually in the same amount as the monthly mortgage payment. Often the A&H coverage is assigned to lending institutions, and the policy is worked out so that it actually pays monthly benefits rather than daily. That is, there is a 14-day waiting period, but when there are 15 days disability the company pays one month's benefits. Then from 15 to 44 days the company pays for only one month, but when the disability gets to 45 days, two months payments are made.

The other A&H policy sold in connection with life insurance is non-cancellable and guaranteed renewable. Mr. Keare said that Federal decided to use non-can because it has had experience selling life and A&H in families and then having to cancel the A&H policy. This has cost the company some good public relations and some business, and the non-can aspect avoids this. This again is sold as a single premium package with the A&H covering to age 60 or 65. A&H is issued with any type of life policy which does not expire until age 60. Disability coverage is available up to \$300 monthly indemnity and the policy is on an aggregate basis.

There is a combination life and A&H application, and agents are paid commissions on the combined premium on the life basis.

Emphasis on selling key men as an avenue for keeping agents hot on the sales track was made by Rex Anderson. He explained that most employees expect their company to give them some kind of help during disability. A key man is any man the employer would hate to lose and for whom he would be willing to spend a few dollars to keep, he said.

The average agent has many prospects in smaller businesses, such as partnerships and close corporations to sell key men. In the larger firms with a hundred men or more, if one man is out sick there is a loss of 1% effectiveness, but if there are only five men in the firm and one man is out 20% of the effectiveness is lost.

Mr. Anderson gave an example of how New York life agents are told to go about selling key men coverage in the case of a small manufacturer. The man is questioned as to the value of his plant superintendent. Here is a key man for the employer, but if he is disabled the employer will have to promote someone else and he will have to replace the man promoted. There is a lot of expense involved in that alone, and the employer is still faced with having some responsibilities to his disabled superintendent. If he is obliged to discontinue paying the superintendent, there is some doubt as to whether the man would come back to the firm and there is a question as to what the reaction of the other employees might be. For \$5 a week the employer can avoid all this by purchasing a key man policy to pay the superintendent \$100 a week in case of disability. Not only does this solve the

pay of the key man, but it leaves his salary free to the employer to use as the money with which to buy a replacement.

Mr. Anderson advised keeping key man insurance simple and said he recommends against assignment of the policy to the business. What would happen in the case of permanent and total disability? he asked. The benefits would go to the company and the company would not be obliged to pay the employee. This is personal insurance, he said, and the employee should apply for the policy and should own it, and the employer can pay the premiums as a means of extra compensation.

Key man coverage offers the agent a chance for multiple prospects. He can sell from one to 10 men in a plant at the same time, and he has some ready-made prospects for life insurance—prospects about whom he has information and who can afford the premium for adequate coverage.

Suggesting that the demand for major medical coverage will increase in intensity, Elmer Nicholson said insurance companies "must come to the fore in underwriting this need" and that the underwriting "must be broad-gauge and all-inclusive—anything short of this will be met by a protesting public."

The speaker said the policy appeals to the man of moderate income for whom the shock of big bills would be disastrous and also appeals to the high-income man who might be able to solve the big bill problem without help but not without inconvenience.

All age groups buy major medical, according to figures offered by Mr. Nicholson. The average buying age is 41 1/2.

The average annual premium was listed at \$88.45. The speaker noted that 64% of the buyers already had some basic expense coverage. He said the average number of people covered under the average policy is 3.2, and that seven out of every 10 policyholders pay premiums annually.

From these figures Mr. Nicholson drew the conclusion that "our market for major medical is as broad as our regular life insurance market, and that it is a fertile one."

Connecticut General has integrated major medical into four sales presentation patterns: Estate planning, creative programming, by-product sales, and direct sales. Mr. Nicholson reported that "the success of all sales promotion on major medical is attested to be the fact that this policy constituted about 18% of our total new individual A&H premium during 1953."

Mr. Faulkner's address concluded the meeting. After summarizing the highlights of each speaker, he presented a personal point of view on the problems of the business. Above all, he said, it is essential for salesmen and sales managers to have a sound understanding of the larger problems of the industry.

He urged a strong program of public relations generated by the some 800 companies now in the A&H business. To indicate how such work is now lacking he said that 90% of the industry's effort is being spent in doing a good job and only 10% in telling the public about it.

The best job the government can do, he said, is to provide the hospitals, the personnel, and the equipment needed to improve health care itself. It can also maintain high living stand-

C. A. Turner Named Home Life Officer

Charles A. Turner has been named an officer of Home Life of New York with the title of director of public relations.

Mr. Turner joined Home Life in 1950 after having been with the Greenwich Savings Bank of New York City as coordinator of advertising and public relations. Since 1951, as head of the field service division, he has had charge of planned estates promotion, advertising, publicity and company publications.

Operations of the field service division, which Mr. Turner will continue to head, will be broadened. It has functioned primarily as a service unit for the agency department, performing public relations tasks only as an incidental part of the work. The latter will now be expanded as a formal part of the division's responsibilities.



Charles A. Turner

ards in a prosperous economy because good health and long life are the result of adequate and proper diet more than anything else.

In emphasizing the need for an aggressive program of public information and education, he said the best emissaries to the public are members of the companies' field organizations, about 150,000 strong.

"Spend the time, effort and money needed to inform the American people," he said. "This is not time for hesitation."

The industry, he continued, can undertake and implement and carry through to success a program that includes: Public education through public relations broadly supported by the majority of the companies in the business, the making of a "soul-searching" project of evaluating criticism, and then going to work to find the answers that will eliminate the causes.

Advance Hall, Krumm in Occidental Home Office

Occidental Life of California has advanced Stewart L. Hall from assistant director of field training to assistant superintendent of agencies, administration. R. B. Stephenson, assistant superintendent of agencies, administration, will continue in administration work and handle other special assignments in a senior capacity. William F. Krumm, Jr., formerly with the agency secretary department, becomes assistant director of field training.

Mr. Hall entered insurance in the Mutual Benefit Life home office in 1932. After army service he joined the Mutual Life home office and in 1941 went with Occidental. Mr. Krumm, a marine veteran, started in insurance with New York Life in 1952, joining Occidental the following year.

Cleveland Trust Council Elects

New president of Cleveland Life Insurance & Trust Council is A. W. Martin, Cleveland Trust Co. George H. Plante, John Hancock, is vice-president; Bruce Whidden, Central National Bank, secretary, and Russell G. Fox, Arthur Anderson Co., treasurer.

Detroit Life Agency Cashiers heard a talk by Louis P. Gepford, manager there for New York Life.

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Tells How to Build "Wanting to Bad Enough" Attitude

NEW ORLEANS—"Wanting to bad enough" is what the agent must do if he is going to be a success, and how one agency generates this attitude was explained by William J. Schergens, Aetna Life, Shreveport, in his talk at the NALU General Agents & Managers Conference here.

Promotion, he said, is the spark that catches all the other fundamentals on fire and will do more to get the man to "want to bad enough" than anything else. One thing the agency does is to promote continually the aim of writing \$100,000 a month. This raises the agent's production sights. "We go on the fact that we must get a lot of written business in the mill and good closing will pay for most of it," he said.

Regular weekly and monthly bulletins, plus extra ones during contests, are issued on agents' activities. There are four contests plus the regional that the agency pushes all year—start-the-year drive, accident drive, midyear push, app-scrap, and regional. There are always big pay-offs, dinner dances, trips, etc.

"We offset part of the cost by having all-day business meetings to rekindle their enthusiasm and knowledge," said Mr. Schergens.

The agency also promotes app-a-week and now has one man up to 112 weeks of two applications or better. It also makes a point of laying out enough money for enough efficient office personnel to help the agents make more money.

Each agent paying for \$10,000 a year in premiums gets a private office "and this really helps the 'wanting to bad enough' attitude," said Mr. Schergens. The trainer must be enthusiastic in his presentations if the men are to respond.

"We must be hard-working and hard-driving," he said. "We can't direct the activity from a hammock".

St. Louisians Get Sales Tips on Business Cover

ST. LOUIS—A wide range of topics was covered at the business insurance seminar cosponsored here by Washington University and St. Louis Life Underwriters Assn. It is expected the seminar will be made an annual affair.

Panelists were Ralph O. Staubern, vice-president of W. Alfred Hays & Co.; Rudolph F. Webber, assistant St. Louis manager of Ernst & Ernst; A. H. Wallace, New York Life and William T. Kieffer, general agent State Mutual Life. Richard T. Stith, Jr., co-general agent for New England Mutual, summed up the addresses.

Mr. Staubern said only insurance can satisfactorily solve the four principal problems that arise on the death of a business man. He listed the problems as (1) the necessity for forthwith liquidation of his estate; (2) stoppage of business income; (3) loss of opportunity of his children who are minors to continue the business; (4) difficulty of keeping the small business stock as valuable as it was at the time it went into the estate of the sole proprietor.

He advised avoiding family beneficiary designation in the purchase of business insurance designed to provide or continuation of the business after the proprietor dies. The courts will

hold such insurance goes to the main beneficiary, he said, or, depending on circumstances, will add the face amount to the assets of the estate for estate tax purposes.

Suggesting that the man with money should not be by-passed by agents simply because he may be considered too old or uninsurable, Mr. Wallace said that such a prospect may be a proper subject for purchase of annuities or other special types of insurance, or may own some type of business or be in a position to influence business policies of various companies. He advised against selling business insurance in small amounts. "Selling the \$1,000 policy is like kissing your sister," he pointed out. "It is perfectly proper but there is no future to it."

Mr. Kieffer said that while most business insurance sales are on a less emotional basis than the personal sale, still dramatization by agents is effective because each business sale has a personal aspect, such as a son's interest at some future time, or retirement provisions for the proprietor.

Mutual Life Elects Field Club Officers

Mutual of New York has named Sam S. Herwitz, agent at Cincinnati, president of its national field club. Division vice-presidents are Joseph N. Latiano, Pittsburgh, eastern; Harry R. Schultz, Chicago, central; John J. Howe, Portland, western, and John R. Taylor, Charlotte, N. C., southern.

Mai Sie Liang of the Buesing agency, New York City, was elected vice-president of the women's division. Jacob W. Shoul, Boston, was named honorary president and J. Dudley Miller, Chicago, and Mrs. Ruth R. Steinberg, Dayton, honorary vice-presidents.

Of 750 field club and top club members, 10% of the 1953 leaders have qualified for the honor groups for 15 years, 22% for 10 years, and 45% for five years. Mr. Shoul and Neil Himmel, New Orleans, have qualified for 36 years, making them company leaders. The central division has had the best ratio of consistency, with 53% of its 190 members qualifying for at least five years.

District Agencies Contribute 68% to John Hancock Total

The district agency department of John Hancock produced 68% of the company's 1953 total paid-for business, it was brought out at the annual President's Club meeting at Washington. Production by this branch amounted to \$1,143,374,000.

Recipients of awards and their categories were: John F. Griffing, Bridgeport, leading district agent; John R. Burd, Philadelphia, leading assistant district manager; Cleveland district office, Louis Horn, manager, President's Trophy (third successive year); Midtown (Chicago) office, Julius Bogatz, manager, Vice-president's Trophy; East Central office (Detroit), Roger A. Palmer, manager, leading regional office, and Dallas district office, Orville M. Erickson, manager, Pioneer Trophy for most outstanding development of new territory for the year.

Among speakers were President Paul F. Clark, Byron K. Elliott, executive vice-president and director; Olen E. Anderson, vice-president and director; Vice-presidents Frank B. Maher, Ross E. Moyer, Robert P. Kelsey and Lee P. Stack, and 2nd vice-presidents Philip H. Peters and George B. Thompson, Jr. Directors Edward B. Hanify and Samuel Pinanski also spoke, as did John Fisters, director of sales for Fortune magazine.

HOLU Annual Has Promising Card for N.Y.C. Meeting

An address by John C. Archibald, Bankers Life of Iowa, president, will open the annual meeting of Home Office Life Underwriters Assn. April 26-28 at the Hotel Statler, New York. Speakers that same day will be Holgar J. Johnson, president, Institute of Life Insurance; Earl M. MacRae, New York Life, whose topic will be "Underwriting of Surplus Lines", and Dr. R. G. Bell, medical director of Shadow Brook Health Foundation, "Early Recognition of Dangerous Drinking Patterns".

Opening the morning of the second day will be an address on "Some Highlights of the 1951 Impairment Study" by Edward A. Lew, actuary and statistician of Metropolitan Life. A panel discussion will follow with Harry F. Gundy, Sun Life of Canada, moderator, and these members: Doane E. Arnold, New England Mutual; John F. Wilson, Manufacturer's Life; William E. Walsh, Equitable Society; Donald H. Rawson, Travelers, and Douglas Wood, General American.

In the afternoon, Dr. William P. Shepard, 2nd vice-president Metropolitan, will speak on "Risk Mitigation Stems from Underwriting". A movie, "Losing to Win", will follow.

On the final day, April 28, "Automobile Racing" will be discussed by Jules V. Quint, Metropolitan; "Storage Battery Manufacturer", Ernest A. Carlson, Massachusetts Mutual; "Atomic Energy—a 12 Months' Report", Colonel Reuel C. Stratton, Travelers; and "Petroleum—Some Aspects of Production, Transportation and Refining", Dr. H. V. Hume, Atlantic Refining Company.

Chairman and their respective days will be Mr. Archibald and Thomas K. Dodd, Connecticut Mutual, April 26; Mr. Gundy and Matthew W. Peterson, Metropolitan, April 27; and Paul Shea, Penn Mutual, April 28.

AFL Agrees on Contract With Equitable Life, Wash.

Equitable Life of Washington and Insurance Agents International Union, AFL, have agreed on a number of improvements in compensation and working conditions.

Included are an annual length of service bonus ranging from \$25 for new employees to a maximum of \$175 to employees with 20 years or more service, a fourth week of vacation for agents serving 20 years or more, and a special service commission payment for ordinary insurance.

Other points of agreements include insurance of the agent against loss of employer's funds and \$25 of personal funds in the event of holdup or burglary, a leave of absence with pay for attending union conventions and improvement of the grievance procedure.

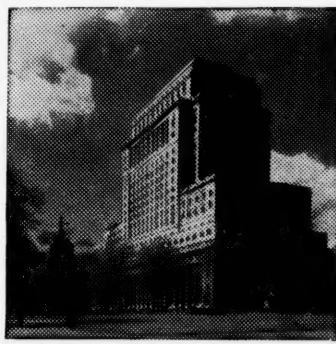
Covered by agreement are agents in Washington, D. C., Baltimore, and the state of Delaware. The company also operates in Ohio, Pennsylvania, Virginia and West Virginia.

Great-West Names Stephens

Great-West Life has appointed Douglas C. Stephens manager of the central Ontario branch at Toronto, succeeding A. G. Smith, who is retiring on disability. Mr. Stephens joined the Winnipeg branch in 1948 and was named supervisor in 1951. Mr. Smith joined the Ottawa branch in 1931 and has

been manager at Toronto since 1941. He is a CLU and is honorary secretary and a director of Life Underwriters Assn. of Canada.

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INSURANCE and
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service to the holders
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policies and Group
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around the globe.**



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Automobile

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Colorado Credit Life
Colorado Insurance Company
Colorado Credit Life Underwriters
Boulder, Colorado

MANAGEMENT CONSULTANTS.

O'TOOLE ASSOCIATES Management Consultants To Insurance Companies

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Ready Card for Sales Congress at Decatur, Ill.

The annual Decatur Life Underwriters Sales Congress is to be held May

22 this year in conjunction with the annual meeting of the Illinois association there.

For the past few years attendance at the congress has exceeded 1,000, making it one of the best attended in the country.

Zinn Kaufman, New York City mer-

chandising consultant and former advertising specialist for Phillip Morris & Co., will be the outside speaker. He is considered one of the most authoritative speakers on salesmanship and has been a successful author on that subject.

Rounding out the program are Grant L. Hill, vice-president and director of agencies Northwestern Mutual Life; James E. Rutherford, vice-president in charge of the Mid-America head office of Prudential at Chicago, and Edward W. O'Shaughnessy, Equitable Society million dollar producer at Chicago.

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

ACCIDENT AND SICKNESS DEPARTMENT HEAD WANTED

Well established, Mid-Western Life Insurance Company now entering the accident and sickness business has top-management opportunity for a well qualified man, preferably between ages 35 and 50. Applicant expected to assume responsibility for preparation and filing of policy forms and for development of underwriting and claims procedures.

Give detailed statement covering experience, education, age, and other pertinent data. All replies will be treated confidentially.

Address Box Y-3,
National Underwriter, 175 W. Jackson Blvd.,
Chicago, Illinois

HOME OFFICE ASSISTANT GROUP MANAGER

Leading middle western company has attractive opening for qualified group assistant. Group Department now three years old and undergoing definite expansion. Starting compensation \$6,000 plus many company benefits. Definite advancement for qualified man. Confidential. Address Y-17, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ACTUARIAL ASSISTANT

Well established Pacific Coast life insurance company has opening for actuarial assistant, under age 40, with four or more examinations. Excellent opportunity for advancement. Liberal employees' insurance and retirement plan.

Write in confidence to Box Y-27, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AGENCY DIRECTOR WANTED

An experienced Agency Director or Supervisor capable of developing a life insurance field force for a Pennsylvania Fraternal, licensed in seven States. Strong Financial position. Top commissions; no Agency Contracts outstanding. Unusual opportunity for right man. Write, giving qualifications, experience. Fraternal affiliations if any, etc. Box Y-25, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

GENERAL AGENCY OPPORTUNITIES

One of the leading legal reserve old-line life companies has openings for general agents in Des Moines and Sioux City, Iowa. Pension plan, group insurance, hospitalization and top commissions. Write Box Y-11, The National Underwriter Company, 175 W. Jackson Blvd., Chicago 4, Ill.

DIRECTOR OF AGENCIES

A relatively new Indiana Life Insurance Company with home office in Indianapolis is seeking a man with a thorough background of life insurance selling and management to head its agency organization. The company is soundly capitalized and well represented throughout the state. This is an excellent opportunity for an aggressive man to become an official of a growing concern. The salary will be commensurate with background and ability. Please reply to box number given below, outlining in detail education, experience and past employment. Inquiries will be treated with strictest confidence.

Reply Box Y-18, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AGENTS

To sell for one of the largest Military Insurance Companies—Check these features: Top Commissions—Renewals Vested—Best Policies on the market—Fast, efficient Home Office Service—All policies conform 100% with new Defense Department Directive.

WRITE—stating complete background to
DIRECTOR OF SALES
P. O. BOX 7008
PHOENIX, ARIZONA

BE A GENERAL AGENT

Exceptional opportunities for progressive men are open in these California areas: Merced, Sacramento, Santa Ana, or Ventura. Top commissions, complete lines, new packages, exclusive rights, competitive premiums. Write in confidence to W. R. Ernst, Director of Agencies, Guaranty Union Life, Beverly Hills, Calif.

HOME OFFICE A & H UNDERWRITER

Leading Southern Company has attractive opening for qualified man. Full particulars as to experience. Salary open. Inquiries strictly confidential. Address W-93, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SECURITIES ANALYST

An opportunity with a future with a leading Southeastern Life Insurance Company. Age 25 to 40, college graduate, with at least three years experience in Corporate and Municipal Bond and Stock investments for a life company. Full particulars as to qualification and expected salary. Address Box Y-31, The National Underwriter Company, 175 West Jackson Boulevard, Chicago 4, Illinois.

Pioneer American Changes

Jack Musslewhite has been advanced to 1st vice-president and secretary of Pioneer American of Houston. He formerly was vice-president and secretary-treasurer.

Robert L. Edens, former assistant secretary, was named vice-president and James J. Armstrong, assistant treasurer, was advanced to treasurer. W. R. Cochrane was named actuary and Tony Martin manager of the credit life department.

Consider Capital Increase

Stockholders of Fireside Commercial Life, Virginia, were to have voted this week to decide whether to increase capital stock from \$30,000 to \$50,000 by issuing new shares at \$20. Capital stock would be represented by 10,000 shares with a par value of \$5. Of the price of new shares, \$5 would go to capital stock and \$15 surplus.

Plan Course at Columbus

Ohio State University in cooperation with Columbus Life Underwriters Assn. will hold a 10-week course in advance life insurance, starting March 30. Sessions will be held Tuesday evenings.

WANTED:

A man to fill a newly-created Home Office position—a challenging job with unlimited opportunities;

WANTED:

A man to start right at the top with our 62-year old organization, without having to combat priorities, seniorities, nepotism and gradual advances;

WANTED:

A man of vision, courage, ability, and known-how—one with provable record of accomplishment and experience to organize, direct, and implement our plans for expansion in the life and A & H field as our

HOME OFFICE AGENCY DIRECTOR

who will receive a very substantial guaranteed salary, a most liberal bonus, full expense reimbursement, and other valuable benefits;

WANTED:

Application from men, not over 50, who want to establish a permanent and highly profitable connection with a modern and progressive legal reserve fraternal benefit society—men who have been waiting for this "once-in-a-lifetime" opportunity to reach the summit. Replies will be held in strict confidence and selected applicants will be interviewed. Write to

Peter Suto, President

AMERICAN LIFE INSURANCE COMPANY

Bridgeport 5, Conn.

Chicago Picked for NALU Headquarters

(CONTINUED FROM PAGE 1)

committee of NALU held an all-day meeting and studied the invitations from the various groups interested in having NALU establish its headquarters in their respective localities. Representatives of many of these localities were heard by the committee and some of the invitations the committee recommended and which were supplemented by formal presentations were carefully considered by the trustees at their meeting the following day.

Following the trustees' decision to locate the NALU home office in Chicago, the board instructed the location committee, which is headed by Charles E. Cleeton, Occidental of California, Los Angeles, past president of NALU, to research various localities in the Chicago area that seem best suited to the needs of NALU and then report their findings to the board for consideration. It was made clear that the location committee was given full discretion in their work and that their recommendations could include possible sites on which a building might be constructed or readily available that suited the requirements of NALU.

The New York presentation, also very ably put forward, was based on the appeal of keeping headquarters in the general area where many key members of the staff now live and where the staff would continue to have access to company associations, notably Life Insurance Assn. of America and Institute of Life Insurance, as well as being reasonably close to LIAMA at Hartford. As a site the New Yorkers proposed the Banker's National Life building at Montclair, N. J., a one-half hour ride from New York, which will be available because Bankers National is putting up a larger home office building. Alternate possibilities in the New York City area were the Gramatan National Bank building in nearby Westchester county and several buildings on the upper east side of New York City.

The University of Chicago site is adjacent to the headquarters building of the American Bar Assn. now under construction.

Agenda of Committee on Blanks Not Too Heavy

The agenda of the life blanks committee is not regarded as too heavy for the session in New York City April 5-6. W. Harold Bittel of the New Jersey department has suggested an instruction on dividends that is aimed to get a full year's dividend liability in the showing, even if the company does not account for dividends on the basis of Jan. 1 to Jan. 1. Most companies have been showing a full year's liability.

Life Insurance Assn. has suggested changes in exhibit 4, which deals with capital gains, in the treatment of mandatory securities valuation reserve. One suggestion is to put change in such valuation in the gain and loss exhibit.

Eastern Reports Gains

Eastern Life of New York, in its report for 1953, shows new insurance paid for, revivals and increases, including group insurance, as \$13,545,365, compared with \$8,499,847 last year. Insurance in force increased \$9,190,099, compared with \$4,777,514 in 1952. Assets were \$11,152,296 compared with \$10,332,070 as of Dec. 31, 1952. The company is licensed in New York, New Jersey, Connecticut, Delaware and District of Columbia.

Insurance Men Confer with Mrs. Hobby on A&H Reinsurance

The government's plan to reinsure voluntary A&H plans aims at prodding experimentation with broader coverages and benefits, as well as making this coverage available to a larger geographical area, Health, Education and Welfare Secretary Hobby told the House interstate committee holding hearings on the legislative proposal in Washington.

Assisting the department in formulating its proposal was a group of insurance executives, who sat with Mrs. Hobby at the hearing and assisted her outlining the plan. They are, C. Manton Eddy, vice-president and secretary of Connecticut General, chairman of the consultant group; Henry S. Beers, vice-president of Aetna; J. Henry Smith, vice-president and associate actuary Equitable Society; Jarvis Farley, secretary Massachusetts Indemnity; Lewis H. Reitz, vice-president Lincoln National Life; Dr. Charles Hayden, Blue Shield; Jeb Stewart, Chairman of Blue Cross commission, and William McNary, Blue Cross.

Supreme Court Denies Review of 'War' Decision

WASHINGTON—U. S. Supreme Court has denied a writ of certiorari sought by Mrs. Jennie Davidson Meadows to review the Texas supreme court decision in Meadows vs. Western Reserve Life, holding that the Korean conflict constitutes "war" within the life insurance exclusion war clause.

Western Reserve had contended the accidental death provision in the policy of Lt. Col. B. E. Meadows, who was killed in Alaska while in military service during the Korean conflict, was void on the ground that the insured was "in military, naval or allied service, in time of war, at the date of the accident."

Mrs. Meadows contended that the Texas supreme court, which reversed decisions in her favor by the district court of Young county, Tex., and the court of civil appeals, raised a federal question, in that the holding was directly contrary to the Constitution, which gives Congress alone the power to declare war.

Life of Virginia Holding Meetings in New Orleans

Life of Virginia is holding four agency conventions in New Orleans. Continuing through April 3, attendance is expected to exceed 2,000.

Members of the Virginia Vanguard, honor club for ordinary agents, met March 22-25, and were followed by conventions of leading agents from the company's division I, II and III combination offices.

President Charles A. Taylor is attending all conventions and Willis J. Milner, Jr., vice-president in charge of ordinary agencies, presided at the agency convention and Harry P. Anderson, vice-president in charge of combination offices, will preside at the other three conventions. In charge of arrangements is J. Cowin Smith, vice-president.

Treusch, National A&H, Goes with Colonial

Joseph B. Treusch, formerly vice-president of National A&H Ins. Co. of Philadelphia, has been named director of public information and sales promotion for Colonial Life.

Discuss Chances of A&H Forestalling Government Plans

NEW ORLEANS—Can the insurance business move fast enough to provide broad enough coverage to protect a large enough majority of the public against catastrophic accident and illness expense to forestall enactment of a federal health insurance program?

That was the question that got serious and frank discussion at the disability forum put on here during the National Assn. of Life Underwriters midyear meeting by the NALU disability insurance committee.

Eugene M. Thore, general counsel of Life Insurance Assn. of America, indicated that Congress is uncomfortably close to going for a national health insurance program. He said that in his opinion "we are facing a grave situation" and that the time is too short to permit the business to sit back and hope that through normal developments the companies would work out the answer to the present challenge to do something about providing the public with adequate disability coverage.

Mr. Thore said the health reinsurance bill sponsored by Secretary Hobby of the Health, Education and Welfare Department is a symptom of this feeling that something has got to be done. He said he felt the bill itself was trying to do something but it attracted press attention and overnight became a national attraction.

Insurance experts have been helping with the bill, at Secretary Hobby's invitation, but only on the technical side, not on the bill's philosophy.

Mr. Thore opined that the bill has no chance of getting through Congress because the entire administration of the plan would be left to the Health, Education and Welfare Dept. without any blueprint or criteria to direct the department and it seems unthinkable that Congress would give the department such a free rein. The bill may also be vulnerable on constitutional grounds. he indicated.

Rather than oppose the bill outright, Mr. Thore said he felt it should be treated as "a political animal" and that the business should concede that it has some features that are consistent with handling disability coverage through private enterprise but there are other aspects that call for further study. Flat opposition might seem like lack of appreciation. It might also seem like anathema and hence cause some members of Congress to do some more needling about the type of A&H coverage that has been getting unfavorable publicity in recent months.

Mr. Thore stressed the need for constructive action in the business to meet the challenge that it faces and provide an answer to those in Congress whose tendency is to push for a national health insurance plan. He indicated that such a plan could be an entering wedge that could affect other segments of the insurance business too.

Carl Ernst, North American Life & Casualty, Minneapolis, chairman of NALU's disability committee, who presided, emphasized the need for "grass roots" work among local associations of NALU. He said two thirds of the local and state associations have no disability committees and in some local associations the life men are at odds with the A&H men, even to the extent of sponsoring buying from "non-profit" insurers. He said there should

be quick clarification of NALU's position and this would be sought at the Wednesday meeting of the national council.

Charles J. Zimmerman, managing director of LIAMA, traced the increasing activity of that organization in A&H in the last few years. He said the important thing is that the institution of life insurance has recognized a social responsibility to reenter the disability field. He cited as significant developments (1) the increasing recognition by life companies that personal insurance includes in its scope the "living death" of disablement as well as premature death and old age; 2) recognition that "living death" often means a greater financial burden than actual death; (3) recognition that the institution of life insurance has a social responsibility to provide coverage in the form that the public wants and at a cost it can afford; (4) recognition that when entering the disability field a life company has a unique social responsibility because its agents are already trained to do a selection job. They are backed by a sound financial institution; they operate on a philosophy of finding out what the prospect needs and then selling him the type of coverage he needs, hence it is quite a simple transition from life to A&H.

Mr. Zimmerman mentioned LIAMA's fact finding studies in A&H.

E. J. Faulkner, president of Woodmen Accident, said that "we stand at the cross roads—whether the problems will be handled by private insurance or by government." He said there had been tremendous improvements in A&H over the years, mainly the result of free competition. He pointed out that A&H covers 90 million Americans and collects \$2 1/4 billion in premiums a year. "I don't believe you can fool 90 million Americans," he added.

Expressing impatience at the timid and myopic, Mr. Faulkner declared that A&H is a great business, even if it still has some flaws to be corrected. He said A&H is in the front line and fighting the fight for life insurance, and warned that if it gets to the point where some bureaucrat is setting the rate and prescribing the forms for A&H, life insurance will also be in a bad way.

In answer to a question, Mr. Thore said that many improvements come out of crises and this one will bring a lot of top level thinking about disability insurance and out of it will come a better product—not that the present product isn't good, but what will evolve will be better.

Boston Mutual Agents Undecided on Union

Agents of Boston Mutual Life, who recently disaffiliated themselves from Local 1282 of the independent Distributive, Processing & Office Workers of American union, are split over whether they want AFL or CIO affiliation. About 120 voted to affiliate with AFL and keep Frank Siegel, former head of the independent union, as president. Mr. Siegel, who had refused to tell whether or not he was a Communist, later declared he was not.

National Labor Relations Board will hold an election April 1 to determine a bargaining agent for Boston Mutual's 375 agents. Meanwhile, members of the independent union have sought an injunction to prevent Mr. Siegel and other officers of the local from disposing of union funds.

Takes on Aetna Casualty

Haskell, Miller, Grossman & Co., a 50-year-old Chicago agency, has been appointed general agent for Aetna Casualty.

Bad Practices in N. Y. Welfare Funds

(CONTINUED FROM PAGE 3)

officials charged with administration were not in the best interests of beneficiaries. In some cases far too extensive powers were conferred on trustees or administrators by the trust agreements which exceeded limitations proposed by custom and prudence. In one welfare fund the president of the union was appointed administrator irrevocably with termination only by death or voluntary resignation. There is no limit on his salary, which he is authorized by trust indenture to fix, unilaterally. There was also evidence of discrimination in the favor of union and welfare fund officials at the expense of the rank and file. Larger benefits sometimes were granted to officials than were available to membership.

There was evidence of kick backs to union and welfare fund officials. Records of agents and brokers disclosed that checks were drawn periodically to cash in amounts which were an exact percentage of premiums paid by the welfare funds involved. Some checks were endorsed by fund officials and others bore the initials of these officials on check stubs. There was evidence of gifts to welfare fund officials. Salary payments were made by agents and brokers to welfare fund and union officials and their relatives. Union and welfare fund officials or their relatives acted as agent or broker for the welfare funds with which they were connected.

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Excessive rates of operating expenses to contributions were the exception and not the rule, but high expenses were incurred in a large enough number of instances to warrant concern that money intended for worker benefits is being dissipated. In many instances the survey indicated an unduly conservative accumulation of surplus funds, which resulted in failure to distribute benefits reasonably adequate in relation to employer contributions.

Insurers furnishing group cover for union welfare plans maintained a generally high level of benefit payments. This high average, however, tended to conceal the poor performance of the few companies that paid excessive commissions and administration fees. Serious abuses were uncovered in the case of two insurers. These abuses were promptly corrected by the department. But there were indications that these practices were not confined to these two insurers.

The department noted that substantial commissions and fees on union group cases which can be shared with third parties, such as union and welfare fund officials and their families, can be dealt with by the department under its statutory control over licensees. But management fees to agents by welfare funds are beyond the reach of the department.

Workable standards can be developed only after comprehensive study of the operations and problems peculiar to welfare plans, Mr. Bohlinger states.

More than 3 million citizens of the state, about 25% of the total population, have a stake in employee benefit plans, the report continues. At least \$365 million is paid annually to union health, welfare and pension plans and self-administered employer pension plans and \$2.5 billion in assets already has been accumulated by such plans.

These plans are affected by public interest, especially self-administer-

ed pension plans that do not provide benefits through the purchase of annuity contracts.

Only certain aspects of employee benefit plans are regulated. As they are insured, the insurance department supervises insurers. But supervision does not extend to money disposition of welfare plans except money used to pay premiums. They should have affirmative regulation and supervision.

There is a notable absence of any generally accepted standards which can serve as guides to responsible trustees.

Mr. Bohlinger stressed that the measure he recommended, and which was adopted, was not intended to invade normal trade union activity nor the customary business affairs of the employer.

GAMC Participates in New Orleans Rally

(CONTINUED FROM PAGE 2)

and their opportunity; (3) help them—willingly and cheerfully work for them in the field and in the office (4) encourage them—be sympathetic and sincerely interested in all that concerns them; (5) motivate them—drop ideas into their minds that will generate pressure from within; (6) enliven them—there is no substitute for enthusiasm—keep it kindled; (7) recognize them—give them plenty of ego recognition—praise publicly and privately, sincerely and generously; (8) treat them—pay their way to all life underwriters meetings, buy birthday lunches and gifts for special occasions; (9) represent them—let them know and feel that you will always see to it that they are treated fairly by you, the agency, and the company; (10) lead them—set a good example, provide a "success" atmosphere.

Leading the session on recruiting, Fred E. Lelaurin, Aetna Life, New Orleans, said recruiting is the most important thing about the manager's job and every man he meets should be sized up as a possible agent or someone who might lead to one. Mr. Lelaurin makes extensive use of direct mail to a list of 1,140 names of persons who are or might be good sources of recruit names. The year to date leader in his agency is the son-in-law of one of the men on the list and he has been in the business only two years.

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Some letters go from Mr. Lelaurin himself, others from the home office over Vice-president Robert B. Coolidge's signature, but the list gets five mailings a year. Mr. Lelaurin said repetition is the key to success. When a man gets the sixth letter he may just have heard about a fellow looking for a connection. Employment agencies are a surprisingly good source, he said, but it is necessary to talk personally with the man in charge of placing sales personnel so he will exercise discrimination in sending prospects. Mr. Lelaurin pays the agency fees and also \$5 for each applicant who scores "A" on the aptitude tests, regardless of whether the man is taken on or not. These tests are given by the employment agency for Mr. Lelaurin and scored at his office.

Classified advertising is helpful. He puts about \$300 a year into it and also scans the "situations wanted" ads carefully. Full time agents in the agency are excellent sources. It developed in the discussion that some general agents pay the man who brings in an agent who is put under contract.



Jack Manning, New York City, and William Coogan, Boston and Massachusetts associations.

Act on Mutual Fund, Federal Employees Group

(CONTINUED FROM PAGE 1)

with the government was expected to forego its normal profit margin. Mr. Fluegelman said he had no information on that point. Lewis Callow, Memphis, wanted to know about a possible anti-trust angle, since it would require a combination of companies to write a case of this size. Mr. Fluegelman said special legislation would be needed. He mentioned that there are many hurdles to be surmounted and it might turn out the case never will be written at all.

A Mississippi delegate wondered if the no-commission feature might not spread to employees of state governments, many of whom are now insured under conventional group plans. Mr. Fluegelman's answer was that "we'll cross that bridge when we come to it."

Since the matter had not been available for study in the printed committee reports, a Knoxville delegate suggested the question of endorsing the government group be left until the following morning so that council members could learn more about it. Mr. Fluegelman had no objection and the motion to endorse was temporarily tabled.

A Massachusetts delegate said since it seemed like the government and the companies would do what they wanted regardless of action by NALU, he couldn't see where it made any difference whether NALU took any action or not.

Mr. Fluegelman answered that it was considered important and he called on general counsel Eugene M. Thore of LIA to tell why.

Mr. Thore indicated it would be desirable as a matter of endorsing the general principle of handling such matters through the free enterprise system to endorse the government's approach to the problem.

Henry Miltener, president of the Louisiana association, said he favored the private insurance method but felt NALU should express reluctance at the no-commission feature, since no other industry that he knew of was required to forego commissions. There was considerable applause for this statement.

Mr. Fluegelman then brought up the practical problem of who would get the commission if one were to be paid.

Mr. Fluegelman also explained the background of group coverage on individuals investing in mutual fund shares. He said Clarence Wyatt, John Hancock's group vice president, had met with the group committee Sunday and had given assurance that if NALU sought legislation barring insurers from covering mutual fund share-buyers the Hancock would not oppose the legislation. Mr. Fluegelman said the Hancock had been getting more of the recent

publicity than any other insurer writing this coverage but it was not the only one or the first one to write it. He said he wanted to commend the company's attitude and its sincere desire to help NALU solve the problem.

The danger of insuring mutual fund share-buyers under group, said Mr. Fluegelman, is that life insurance may be regarded as encouraging ventures that are partly speculative. He quoted one member of his committee as saying "we don't want NALU to cast the aura of respectability on these plans." He said one problem is what happens when a plan is discontinued and the buyer finds himself uninsurable, since there is no conversion privilege in the plans.

General agents, managers and underwriters in Washington, D. C. took to the mid-year meeting the matter of investment trust salesmen being licensed by Superintendent Jordan as part-time life agents.

Life company representatives have suggested that the investment companies place the handling of life insurance contracts tied up with their installment plan sales directly with regular life companies.

It is understood that Raymond Gidine, president of the Washington General Agents & Managers Assn. has taken this matter up with Lawrence Jackson of General Agents & Managers Conference of NALU.

Judd Benson, Union Central, Cincinnati, a past president of NALU, urged that in taking a stand against such insurance NALU make it clear it was acting in the public interest and was not just thinking of possible loss of commissions to a competitor.



UNTRROUBLED by Washington's not being the choice of the NALU trustees for the headquarters location are Louis J. Grayson, Travelers, president of the District of Columbia association, and H. Cochran Fisher, former NALU trustee, also a D. C. stalwart, snapped at the NALU midyear meeting in New Orleans.

EXECUTIVE SECRETARIES on hand at NALU midyear meeting in New Orleans: front row, Joy Luidens, Chicago; Spencer L. McCarthy, Provident Mutual, New York State association, Albany; Margaret Becker, Illinois association, Peoria; George Hester, General American, Georgia association, Florence, Ala.; back row, Jack Manning, New York City, and William Coogan, Boston and Massachusetts associations.

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NALU Postpones Hot Issues at Mid-Year

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ters location was preceded by the report of the location committee chairman, Charles E. Cleton, Occidental of California, Los Angeles, past president of NALU. He said there is \$272,236 in cash and securities in the building fund, besides which there are pledges amounting to \$14,250 or an aggregate fund of \$286,486. He emphasized the small amount that has been spent in fund-raising.

Things got going when Julian S. Myrick, New York City, retired vice-president of Mutual Life, a past president of NALU, and a member of the location committee, rose to express disagreement with the trustees' decision to move NALU headquarters out of the New York area. He said he had written a letter to President Robert C. Gilmore, Jr., expressing the hope that the board would reconsider this decision.

Mr. Myrick said much would be lost by moving out of the New York City area and the drawbacks had not been sufficiently weighed and considered.

He listed these advantages of staying in the New York City area:

1. It would be possible to keep and strengthen the present staff.

2. It would not be necessary to uproot and move present personnel.

3. It would not be necessary to run the chance of losing the Life Underwriter Training Council as a tenant. He said LUTC has expressed a wish to stay in the New York City area and it is doubtful that it would move to Chicago, as there is nothing it would gain thereby.

4. The close personal relationship with the Institute of Life Insurance and the ready availability of its facilities would be retained. Mr. Myrick said that President Holgar Johnson of the institute considered the move out of New York to be unwise.

5. Loss of contact with Life Ins. Assn. of America's staff and facilities would be avoided.

6. NALU's present proximity to

LIAMA at Hartford would be retained.

7. Continued close association with the New York State Assn. of Life Underwriters would be maintained, which Mr. Myrick indicated as important because of the role of the New York insurance laws.

"We would be giving up much that has been built up over the years and it is doubtful if we could ever recapture it," he declared.

Mr. Myrick said that the board, after hearing New York's final presentation, did not see fit to ask the New York delegation any questions but went into executive session.

Mr. Gilmore emphasized that no specific site had been decided on and that if the board wanted to consider Mr. Myrick's letter it could do so at its meeting the next day.

Hunter Hammill, Phoenix Mutual, Philadelphia, urged that the location be picked by vote of the national council at the annual meeting in Boston next September.

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However, Mr. Cleton objected on the ground that the contributions were made on the basis that the trustees had contractual responsibility to contributors to make the decision.

Channing Cowles, Buffalo, immediate past-president of LUTC, said he wanted to disagree with Mr. Myrick's statement that LUTC would have nothing to gain by moving to Chicago. He said the only thing LUTC would have to gain would be a continued valuable close association with NALU.

V. L. Phillips, Occidental of California, Miami, said if he were a trustee he would like to have the backing of the membership in so important a decision and he felt the trustees should wait until the council could have a chance to ratify or vote down the trustees' decision when the council meets in Boston in September.

Osborne Bethea, Prudential, Newark, NALU treasurer, said, "I think there is a certain sentiment in this group and we ought to find out what that sentiment is." He asked the president to call for a rising vote "purely as a test of sentiment and for the guidance of the board of trustees" on whether the council wishes to move NALU headquarters out of the New York City area.

Judd C. Benson, Union Central, Cincinnati, a past-president of NALU, asked that a motion be substituted calling for a vote of confidence in the board of trustees, "who, I suggest, are the people who have given the fullest consideration to the matter before the house."

This suggestion drew quite a burst of applause.

Mr. Hammill said there was no need for a vote of confidence for the trustees, "otherwise they wouldn't be up there" but sometimes there are occasions when decisions should be taken to the membership.

There followed quite a bit of parliamentary skirmishing for and against the obvious semantic advantage of putting the motion in the form of a "vote of confidence" which, even though limited to the location decision, few council members would care to withhold, regardless of their sentiments on moving the NALU headquarters out of New York.

Mr. Phillips emphasized this point in clarifying his earlier remarks.

Paul Conway, John Hancock, Syracuse, emphasized that this was not an annual meeting and that it would be far better to table the matter now and act on it in a fully informed way at

the annual meeting in Boston, when there would be many more delegates present at the national council meeting.

David B. Fluegeiman, Connecticut Mutual, New York City, immediate past-president of NALU, insisted that Mr. Benson's vote of confidence motion was out of order because it would have defeated Mr. Bethea's motion and hence under parliamentary rules was out of order and could not be tabled. The result was so much parliamentary confusion that President Gilmore called for a two-minute recess to enable the parliamentarians to agree on how to unscramble the tangle. Their consensus was that Mr. Benson's motion was valid and that the motion to table was in order.

The motion to table was defeated and Mr. Benson immediately withdrew his vote of confidence motion. Mr. Bethea then repeated his motion that as an indication of sentiment and guidance to the board there should be a standing vote of those who favored moving headquarters out of the New York City area.

On motion of David Blumberg, Knoxville, Tenn., Mr. Bethea's motion was modified so as to ask the trustees to reconsider the location decision, inform the local associations fully with facts and figures and then get a vote from the council members at the annual meeting in Boston, with the board of trustees meanwhile taking no further action on acquiring a site in the Chicago area.

A modified motion, omitting Mr. Bethea's request for a vote then and there on moving out of New York, passed by an overwhelming majority.

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The vote of postpone action on permitting state associations to accept dues from domestic companies as "industry associates" was a disappointment to the New Yorkers for at the fall meeting of the New York State association Immediate Past President Fluegeiman, as chairman of a three-man committee of NALU named to confer with the New Yorkers on the company dues matter, reported that an informal mail poll of the trustees indicated an overwhelming majority in favor of the "industry associate" plan. There had been objection to the earlier plan of having the New York companies as members of the New York State association as non-voting but dues paying members.

The New Yorkers had warning they were in for a tough fight, because the Chicago association had proposed a by-law that would outlaw the sort of plan the New York State association wanted to set up.

At the council meeting here Frank Wenner, Connecticut Mutual, Utica, N. Y., said that "we thought the whole New York State association problem was all solved and that the Chicago amendment is clearly aimed at New York State and is obviously a punitive amendment, but in pinning New York's ears back you are doing something that affects every association and even NALU itself."

The Chicago amendment proposal states that "a member association or a state association may not accept any gift gratuity or dues from an insurance company group or company association." Mr. Wenner said this would rule out a lot of company financial help that associations now get in an informal way. He mentioned the help that the NALU public information committee gets from the Institute of Life Insurance as an example and stated that one third of NALU's income comes



PRESIDENT ROBERT C. GILMORE, JR., of NALU holds the certificate just given him by Vicor S. Skiro, right, chairman of the New Orleans parks and recreation commission, in which Mayor DeLeseps Morrison proclaimed the week of March 22 as Life Insurance week in New Orleans. Mr. Skiro, a life agent and a past president of the New Orleans association, welcomed the association to New Orleans on Mayor Morrison's behalf.

from company advertising in Life Association News.

The final outcome was that a motion passed to have the trustees reconsider their previous informal favorable vote. The motion was in a form that insured the matters being placed before the local associations and then brought up at Boston for action.

Earlier in the day, Oren Pritchard, Union Central, Indianapolis, speaking as state law and legislation committee chairman, said "We have had many complaints about creditor group life insurance plans" on the ground that all or part of the commission often find its way back to the lender. He said that the state law and legislation committee wished to present to the trustees a project to get the state legislatures to enact laws to prevent commissions on creditor insurance being kicked back to the lending institution, thereby constituting added interest and possibly usury.

The council unanimously recommended that such laws be sought.

Under the law, no commission or other emoluments could be paid directly or indirectly to the lender or its representative, or received by them, in connection with the sale of creditor life insurance.

Mr. Pritchard emphasized this would embrace individual as well as group life insurance in the prohibition. He said this matter had been discussed with the life committee and executive committee of National Assn. of Insurance Commissioners at their mid-winter meeting and that they favored such legislation but that he had taken no position as a representative of NALU on account of not having received authorization from NALU.

A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, NALU trustee, said in states which require representatives to be licensed, there is a danger that the licensee will write other types of insurance as well as creditor coverage. He said that in Wisconsin the commissioner is issuing limited licenses for the sale of creditor insurance, thereby averting this danger of selling other forms of coverage.

Gerard S. Brown, Penn Mutual, Chicago, reported as chairman of the federal law and legislation committee,



OREN PRITCHARD, left, Union Central, Indianapolis, NALU nominating committee chairman, at the mid-year meeting at New Orleans, with the new executive secretary of the Indiana and Indianapolis associations, William J. Wood, Indianapolis lawyer, who will divide his time between association work and law practice. He succeeds Lucille Pryor, who is about to be married. New address of the associations is 301 Circle Tower.

dealing mainly with the new tax bill, which is about the size of a Sears, Roebuck catalogue.

Paul Conway, John Hancock, Syracuse, reporting as chairman of the committee on cooperation with trust officers, suggested that members scrutinize form letters obtained from publishers and sent out over the agent's signature. He said occasionally this material contains statements not factually accurate and could boomerang.

Stanley C. Collins, NALU secretary and agent of Metropolitan Life at Buffalo, reporting as compensation committee chairman, explained briefly the amendments to the New York expense limitation law that are now awaiting Governor Dewey's signature.

Theodore M. Green, Massachusetts Mutual, Oklahoma City, chairman of the committee on relations with attorneys, said good results can be obtained from having the local bar association and the local life underwriters association conduct an occasional meeting for each other.

Mrs. Elsie Doyle, Union Central Cincinnati, reported as chairman of the committee on relations with other organizations. She said there is always the problem of deciding what groups to cooperate with. She mentioned the value of cooperating with the agency cashiers and the credit men's organizations. Since her committee's work overlaps to some extent with the committees on public information, on relations with trust officers and on relations with attorneys, Mrs. Doyle suggested that these committees be represented in each others' membership, "thus keeping the right hand informed of what the left hand is doing."

Robert L. Walker, Peninsular Life, Orlando, NALU vice-president reporting as chairman of the field practices committee, said several complaints had come in about tontine and semi-tontine policies sold by National Old Line Life of Little Rock. He said the only remedy appears to be through legislation as most of the companies assume such contracts are not sensitive to criticisms of life underwriter associations.

A representative of the Idaho association said the National Old Line approached attorneys to help write business and share in commissions. As a result of hearings held at the state association's request the company has withdrawn the tontine or jackpot policy from sale. The state association is now seeking court action to have the policy outlawed.

Osborne Bethea, Prudential, Newark, reported as treasurer and as finance committee chairman. He said surplus was \$85,317 as of Feb. 28 as against \$69,813 a year earlier. Dues are up \$14,123 and advertising revenue is up \$4,036. Expenses have gone up \$3,003. Mr. Bethea noted that the increase in dues that went into effect Jan. 1 has been a relatively small factor thus far in the improved financial status.

Oren D. Pritchard, Union Central, Indianapolis, reporting as state law and legislation chairman, said that a reading of the committee's printed report would show how trends show up in one state after another.

He said that since the report was printed the Kentucky legislature has passed a blanket exemption from inheritance tax for proceeds payable to a named beneficiary. This goes into effect two years hence. The present exemption is \$20,000.

He stressed the urgent need of NALU's being represented at meetings of the National Assn. of Insurance

Commissioners in the interest of the policyholders.

Robert Zimmer asked about moves to promote savings bank life insurance. Mr. Pritchard said that with only 12 out of 48 state law and legislation chairmen present he could not say what the proper course might be on SBLI.

Mr. Pritchard, who is also nominating committee chairman, said that committee met all the previous day. The committee, he said, has a "splendid list" of names but there are not enough. There are seven places to be filled. The committee is required to report seven and is limited to nine. He said the limit should be changed so as to be a maximum of two more than the number of places to be filled.

Mr. Pritchard noted that the death of Mr. Ries leaves only one trustee west of the Mississippi river and that responsibility for western representation belongs to the members in that area and not to the nominating committee.

Stressing the need for representation on the part of agents, Mr. Pritchard said that thus far only one agent has been endorsed to the nominating committee this year. Others had been asked to serve but had refused.

Reporting as General Agents & Managers Conference chairman, Ray H. Wertz, Lincoln National, Detroit, said most managers' associations now require members to belong to their local associations. Howard V. Krick, Penn Mutual, New Haven, reported as chairman of the committee on life underwriter education and training. He mentioned particularly the further use of visual and auditory devices for use in education and training. William D. Davidson, Equitable Society, Chicago, chairman of the public information committee, emphasized the important role a local association can play in public relations activity, particularly if a member skilled in this sort of work is made chairman of the local public relations committee.

Judd C. Benson, Union Central, Cincinnati, past president of NALU, suggested that Mr. Davidson's committee might well spend some money to get into the local associations, hands specific suggestions on how to do a good public relations job.

Louis J. Grayson, Travelers, Washington, D. C., chairman of the committee on veterans' and servicemen's affairs, said it is generally recognized that the military benefits are a hedgehog and that is why the benefits are pyramided. Now there is a bill with Defense Department backing that has a good chance to pass and that would lead to an orderly setup, though perhaps not reducing the benefits any.

As a word of caution to those selling to military personnel, he said some agents are giving prospects in the armed services the impression that social security for them is on the way out whereas if anything it is getting a stronger hold.

Memorial resolutions were adopted on Frank L. Jones, past president of NALU and for many years agency vice-president of Equitable Society; Mitchell M. Rosser, Phoenix Mutual, Boston, NALU trustee, and Howard C. Ries, Equitable Society, Everett, Wash. The resolutions were presented by Henry S. Stout, John Hancock, Dayton, O., chairman of the resolutions committee. Mr. Rosser was membership chairman and Mr. Ries was chairman of the committee of agents.

Stanley C. Collins, Metropolitan Life, Buffalo, reporting as secretary, said that five new associations are now

being organized which will give NALU a total of 627 member units.

The midyear meeting program started off Monday with all-day meetings of the NALU board of trustees and the General Agents & Managers Conference, including the GAMC luncheon. That evening there was a meeting on training local association officers in setting up education programs for incoming association officers. There was also a special forum on disability insurance problems, reported elsewhere in this issue.

Tuesday there were breakfasts of the federal law and legislation committee and the women agents. The national council met both morning and afternoon. The only scheduled evening event was the agents' forum, reported elsewhere in this issue.

Wednesday there was a breakfast for the past presidents of NALU. The national council met all morning, following which there was the NALU-LUTC luncheon. The afternoon was given over to committee meetings. The board of trustees held its final session Thursday morning.

VA-Company Conflict Still Somewhat Alive

Scattered cases still are cropping up involving governmental attempts to collect on a veteran's A&H policy when he is treated in a veterans administration hospital. According to Life Insurance Assn. of America, legislation has been proposed and abandoned in this matter and the cases that now are appearing do not portend any lasting trend.

In a case in Denver, the government has filed a test suit against Fidelity Life & Disability to determine whether an A&H policy owned by Edgar O. Eastman covers treatment for a non-service-connected disability in Fitzsimmons Army hospital. The U. S. was turned down in trying to collect from the company \$240 of the total hospital bill of \$3,440.

Fidelity L&D maintains that the VA furnished treatment without anticipation of payment and that it (the company) cannot be billed because Eastman owes no obligation to the hospital.

Midwest in New Home

Midwest Life of Nebraska has moved into its new home office, a 64x125-foot structure of Indiana limestone and bronze marble on 16th and K streets, facing the state capitol building.

The 2½ story building is designed to accommodate growth in operations to about twice present size. Adjacent ground also has been acquired for additions to the building.



RELAXING AT NALU MIDYEAR in New Orleans: John N. Lenhart, Great-West Life, Cleveland, member of the NALU nominating committee; Mrs. Lenhart; and George O. Walker, Franklin Life, Canton, president of the Ohio association.

State Mutual Appoints Bicknell and Miller

State Mutual Life has appointed Dr. Francis P. Bicknell medical director and Robert A. Miller director of field office administration.

Dr. Bicknell joined the company in 1939 as assistant medical director and was made associate medical director in 1949. He is a member of Assn. of Life Insurance Medical Directors and has certified as a specialist by Board of Life Insurance Medicine. Mr. Miller has had experience in control and audit work and is a C.P.A.

New A&H Company Formed in Rockford

A new A&H company—Income Indemnity Ins. Co. of Rockford (Ill.)—capitalized for \$100,000 with a surplus of \$155,000, held its first stockholders' meeting last week and elected officers and directors. Lee Crouch, one of the three original incorporators was elected president and a director. H. J. Coute was named vice-president and director of agencies. Ernest L. Swarts, industrial designer, is treasurer and a director. Secretary and board chairman is L. E. Caster, president of Keig-Stevens Baking Co., and a partner in Caster Motor Sales & Service. He organized and is now president of Illinois Hospital Service, Inc. (Blue Cross) and of Northern Illinois Medical Service, Inc. (Blue Shield).

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

section 23x of the internal revenue code relating to deduction of medical and dental expenses from gross income. The bill would also provide that in computing the maximum medical deduction, health insurance premiums would be disregarded. "Health insurance" is defined to mean a plan designed to provide benefits in respect to health services, in return for prepaid subscription charge. This bill is viewed by those in insurance association circles as a perennial and evidently has no connection with the administrator's tax proposals.

Burtness General Agent for Paul Revere

Warren A. Burtness has been named general agent at Portland, Ore., for Paul Revere and Massachusetts Protective. He joined the Minneapolis agency in 1949 and was made supervisor in 1953. An air force veteran, he is vice-president of Minnesota A&H Assn. and Minneapolis A&H Assn.

Beneficial Standard Appoints Mizokami

Beneficial Standard Life has appointed Arthur Lewis assistant director of life agencies at the home office, and has named Roy M. Mizokami general agent of the new Oriental agency in Los Angeles.



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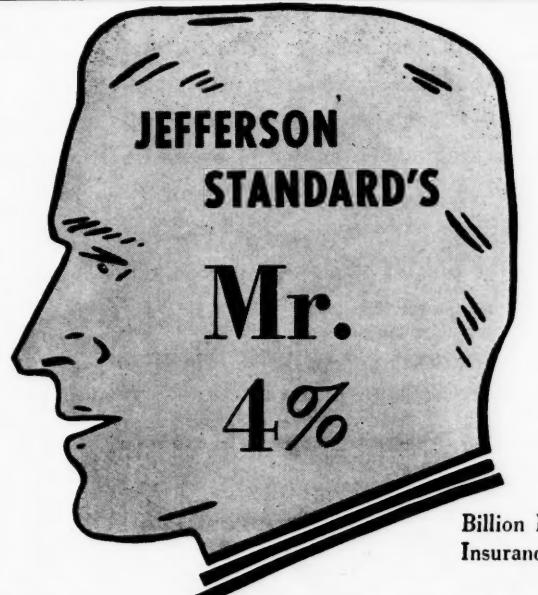
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Theo. P. Beasley, President

Home Office, Dallas



Says "My Company for 17 years has led all major life insurance companies in net rate of interest earned on invested assets—4.34% in 1953. This favorable earnings rate enables the Company to pay 4% interest on dividend accumulations and policy proceeds left with the Company. This means that I can offer my clients *extra benefits through 4%—ANOTHER JEFFERSON STANDARD PLUS.*"

JEFFERSON STANDARD
Life Insurance Company

GREENSBORO, NORTH CAROLINA

The 102nd annual statement

YEAR ENDED DECEMBER 31, 1953

ASSETS

United States Government Bonds	\$ 18,631,688
Other Bonds (Insurance Commissioners' Basis)	50,290,303
Canada — Provincial and Municipal	\$ 3,953,914
U. S. Municipal	760,000
Public Utility	30,262,724
Railroad	6,273,645
Industrial and Miscellaneous	9,100,020
Stocks (Market Value)	1,324,400
Preferred	\$ 174,000
Common	1,150,400
Cash	
Mortgage Loans	63,055,238
F.H.A. Insured	\$ 39,073,386
Veterans Guaranteed	6,602,720
Conventional	17,379,152
Loans on Policies	7,377,050
Property Sold under Land Contract	876,938
Real Estate	910,723
Home Office	\$ 528,000
Purchased for Investment	382,723
Other Assets: Including Premiums in course of collection, Interest and Rents due and accrued, etc.	3,977,763
Total Assets	\$147,561,589

LIABILITIES

Policyholders' Reserves: Present value of outstanding policies and annuity contracts, including disability, double indemnity and Accident & Health benefits.	\$114,086,992
Policyholders' Funds: Present value of proceeds of policies, dividends, etc., left on deposit with the Company.	22,739,810
Claims: Awaiting proof and not yet due.	\$10,594
Federal Income Tax and Premium Tax Reserves	448,000
Employees' Contributory Pension Fund	667,841
Security Valuation Reserve	318,583
Miscellaneous: Including accrued and escrow items.	362,410
Dividends: Apportioned for one year, deferred dividends payable after one year and \$62,082 dividends accrued.	1,290,798
Surplus Funds	6,836,561
Contingency Fund for Elevation of Investments	\$ 500,000
Unassigned Surplus	6,336,561
Total Liabilities and Surplus Funds	\$147,561,589



KEEP YOUR EYE ON
BERKSHIRE
LIFE INSURANCE COMPANY

Life, Annuities, Accident & Health and Hospitalization
HARRISON L. AMBER, President
WITFIELD, MASS. • A MUTUAL COMPANY • CHARTERED 1851

Just What the Client Ordered!

How many times has a prospective client said to you . . . "Why doesn't your company come out with one policy to cover all my sickness and accident requirements?"

NOW Illinois Mutual Casualty Company has a completely different

ALL-IN-ONE POLICY

Covering: • Lifetime benefits for total disability—accident • Five-year benefits for total disability—sickness, regardless of house confinement • Hospitalization • Surgical benefits • Blanket medical expense (accident) • Travel accidents • Accidental death . . . A COMPLETE package of protection.

Add this most valuable policy to your sales portfolio. Territories open in:

Illinois, Indiana, Ohio, Michigan, Minnesota, Missouri, and Wisconsin.

Illinois Mutual Casualty Co.
(non-assessable)
HOME OFFICE: 411 LIBERTY ST., PEORIA, ILL.

E. A. McCORD
President

C. C. INMAN
Executive Vice-President





ALL INSURANCE COMPANIES ARE GROWING FAST, BUT
PILOT LIFE'S RECORD IS AMONG THE NATION'S MOST EXCITING

\$103 MILLION GAIN

puts Pilot Life in the 3/4 billion dollar class

An increase of more than \$103 million of life insurance in force—providing greater benefits for more people than ever before—was the record for Pilot Life in its 50th anniversary year.

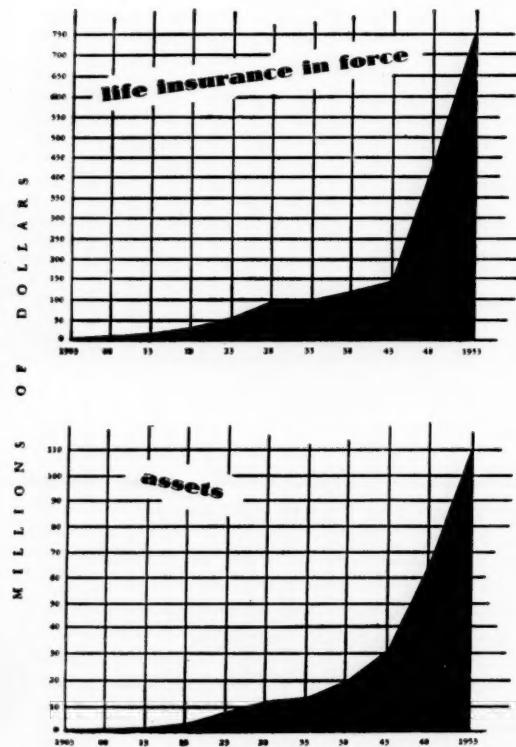
Growth like this indicates real faith in the company on the part of the policyholders. In turn, Pilot Life can say "thanks" in a very real way: more home and business loans, improved insurance service, more operational economy, more insurance for less money.

What happened in 1953? Even for an insurance company, these growth records are exceptional: over \$103 million increase of insurance in force...total in force of over \$750 million...number of people protected increased to over 3 million...payments to policyholders and beneficiaries \$10 million...assets up to a record \$110 million.

Pilot Life continues to pay 4 per cent interest* on funds left with the company—highest interest rate paid by any major insurance company.

Briefly, that's what happened in 1953, thanks to Pilot Life's loyal field and home office forces.

*The Pilot guarantees 2½%—is now paying 4%—and has never paid less than 4% in all its 50 years.



*Pilot Life
Insurance Company*

O. F. STAFFORD, PRESIDENT—PILOT TO PROTECTION FOR OVER FIFTY YEARS
HOME OFFICE: GREENSBORO, NORTH CAROLINA